

CITY OF MT. VERNON, ILLINOIS

The Annual Comprehensive Financial Report

April 30, 2022



Creativity Redefined!

INTRODUCTORY SECTION

CITY OF MT. VERNON, ILLINOIS
THE ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended April 30, 2022

Prepared by:

Department of Finance

Stephanie Bailey
Director of Finance

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Title Page	
Table of Contents	
List of Principal Officials	
Organization Chart	
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1-4
Management's Discussion and Analysis	5-22
Basic Financial Statements:	
Government-Wide Financial Statements	
Statement of Net Position	23
Statement of Activities	24
Fund Financial Statements	
Governmental Funds	
Balance Sheet	25-26
Statement of Revenues, Expenditures, and Changes in Fund Balances	27-28
Proprietary Funds	
Statement of Fund Net Position	29-30
Statement of Revenues, Expenses, and Changes in Fund Net Position	31
Statement of Cash Flows - Increase (Decrease) in Cash and Cash Equivalents	32-33
Fiduciary Funds	
Statement of Fiduciary Net Position	34
Statement of Changes in Fiduciary Net Position	35
Notes to Basic Financial Statements	36-91
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Illinois Municipal Retirement Fund	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	92
Schedule of the Pension Net Position Liability	93
Schedule of Contributions	94
Summary of Actuarial Methods and Assumptions	95-97
Schedule of Pension Investment Returns	98
Police Pension	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	99-100
Firefighters' Pension	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	101-102
Police Pension	
Schedule of Contributions	103
Firefighters' Pension	
Schedule of Contributions	103
Police Pension	
Notes to Schedule of Contributions	
Summary of Actuarial Methods and Assumptions	104-107
Firefighters' Pension	
Notes to Schedule of Contributions	
Summary of Actuarial Methods and Assumptions	108-111

	<u>Page</u>
Schedule of Investment Returns and Changes in the Total OPEB Liability	112
Notes to Schedule of Changes in the Total OPEB Liability Summary of Actuarial Methods and Assumptions	113-116
General Corporate Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - GAAP Basis	117-118
Quality of Life Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - GAAP Basis	119
General Corporate Capital Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - GAAP Basis	120
Motor Fuel Tax Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - GAAP Basis	121
Home Rule Sales Tax Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - GAAP Basis	122
TIF - Downtown Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - GAAP Basis	123

COMPLIANCE AND INTERNAL CONTROL REPORTING IN ACCORDANCE WITH
GOVERNMENTAL AUDITING STANDARDS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	124-126
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EXPENDITURES OF FEDERAL AWARDS

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	127-129
Schedule of Expenditures of Federal Awards	130
Notes to Schedule of Expenditures of Federal Awards	131
Schedule of Findings and Questioned Costs	132-133
Summary Schedule of Prior Audit Findings	134

SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds Combining Balance Sheet	135
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	136
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - GAAP Basis - Governmental Funds	
Convention and Visitors' Bureau	137
Special Service Area Number One	138
TIF - Rt 15 and I-57	139
TIF - Industrial Park Construction	140
Community Development Assistance Program	141
Pension Sales Tax Fund	142

	<u>Page</u>
General Corporate Fund	
Comparative Balance Sheets	143
Comparative Income Statements	144
Proprietary Funds	
Water Fund	
Comparative Statements of Net Position	145
Comparative Statements of Revenues, Expenses, and Changes in Fund Net Position	146
Comparative Statements of Cash Flows	147-148
Sewer Fund	
Comparative Statements of Net Position	149
Comparative Statements of Revenues, Expenses, and Changes in Fund Net Position	150
Comparative Statements of Cash Flows	151
Sanitation	
Comparative Statements of Net Position	152
Comparative Statements of Revenues, Expenses, and Changes in Fund Net Position	153
Comparative Statements of Cash Flows	154
Capital Assets Used in the Operation of Governmental Funds	
Comparative Schedule by Source	155
Schedule of Changes by Function and Activity	156
Schedule by Function and Capital Assets Used in Operation of Governmental Funds	157

STATISTICAL SECTION

Government-Wide Information	
Expenses by Function	158
Revenues	159
Fund Information	
Schedule of General Governmental Revenues by Source (GAAP Basis)	160
Schedule of General Governmental Expenditures by Function (GAAP Basis)	161
Governmental Activities Tax Revenues by Source	162
Taxable Sales by Category	163
Sales Tax Rates	164
Ratio for Outstanding Debt by Type	165
Net Position by Component	166
Changes in Net Position	167-168
Fund Balances, Governmental Funds	169
Changes in Fund Balances, Governmental Funds	170
Demographic and Economic Statistics	171
Principal Employers	172-176
Capital Asset Statistics by Function/Program	177
Full Time Equivalent City Government Employees by Function/Program	178
Operating Indicators by Function/Program	179
Schedule of Property Tax Rates and Extensions	180
Analysis of Property Tax Settlement	181
Schedule of Utility Operating Revenues (Water, Sewer and Sanitation)	182
Schedule of Utility Customers Served (Water, Sewer and Sanitation)	183
Schedule of Insurance Coverage	184

CITY OF MT. VERNON, ILLINOIS

LIST OF PRINCIPAL OFFICIALS

April 30, 2022

City Council

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

City Manager

Mary Ellen Bechtel

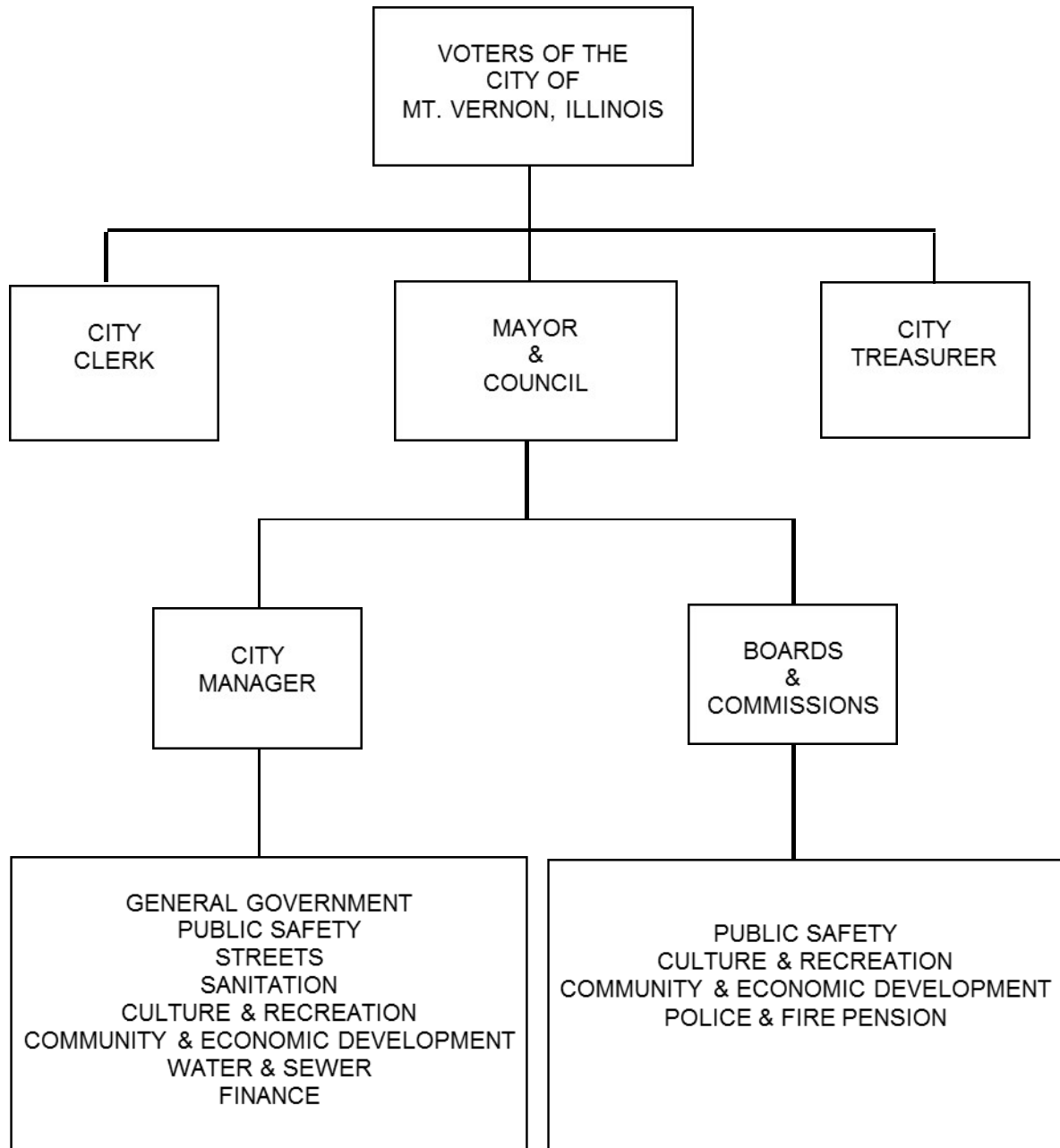
City Clerk

Mary Jo Pemberton

City Treasurer

Pat Carlson

CITY OF MT. VERNON, ILLINOIS
ORGANIZATION CHART
April 30, 2022



FINANCIAL SECTION

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



**KREHBIEL
& ASSOCIATES, LLC**

Certified Public Accountants

E-MAIL AT cpa@krehbielcpa.com

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

1100 South Mill Street
 Nashville, Illinois 62263
 618-327-8042 Fax 327-8052

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City of Mt. Vernon, Illinois' basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Mt. Vernon, Illinois and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Mt. Vernon, Illinois' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Mt. Vernon, Illinois' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Mt. Vernon, Illinois' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-22 and 117-123 and 137-142 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2022, on our consideration of the City of Mt. Vernon, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Mt. Vernon, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Mt. Vernon, Illinois' internal control over financial reporting and compliance.


Mt. Vernon, IL
December 28, 2022

CITY OF MT. VERNON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2022

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, 2022. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The total governmental activities experienced a 73.45% increase in the Change in Net Position, moving from \$11,734,283 at April 30, 2021, to \$20,352,812 at April 30, 2022. Business-type activities showed a 18.87% increase in Change in Net Position.
- Fiscal year 21-22, governmental activities' sales tax revenue increased by 19.35%, property taxes decreased 0.92%, other use taxes showed slight increases.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

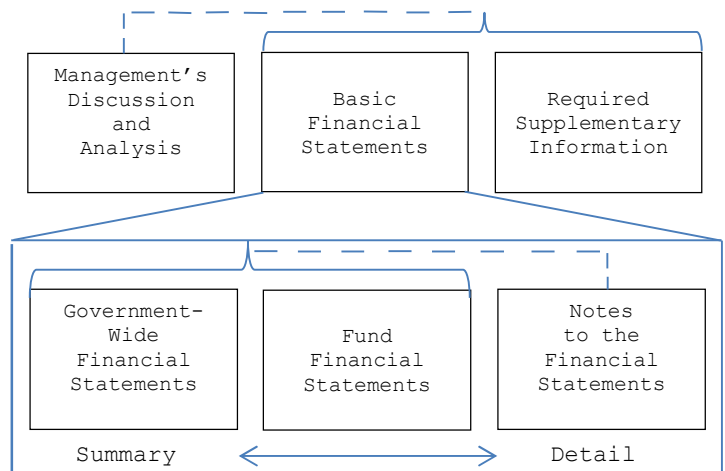


Figure A-2
Major Features of the City of Mt. Vernon, Illinois' Government-Wide
and Fund Financial Statements

Scope	Government-Wide Statements	Fund Statements		
	Entire City government(except fiduciary funds)	Governmental Funds	Proprietary Funds	Fiduciary Funds
Required financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

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

Government-Wide Statements

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

The two government-wide statements report the City's net position and how it has changed. Net position - the City's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources - is one way to measure the City's financial health or position.

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

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

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

Fund Financial Statements

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

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

The City has three kinds of funds:

- *Governmental funds* - Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not

encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

- *Proprietary funds* - Proprietary funds are used to account for services primarily supported by user fees. The proprietary fund financial statements are prepared on the same long-term focus as the government-wide financial statements. The City maintains the following two types of proprietary funds.

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

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

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

Notes to the Financial Statements

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

Other Information

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City's combined net position amounted to \$48.05 million. Of that total \$45.6 million is in the form of capital assets.

Table A-1
City of Mt. Vernon, Illinois' Net Position
4/30/22

	Governmental Activities 4/30/22	Governmental Activities 4/30/21	Business-Type Activities 4/30/22	Business-Type Activities 4/30/21	Total 4/30/22	Total 4/30/21
Current and other assets	\$45,694,807	\$ 37,150,541	\$ 8,655,762	\$ 6,353,549	\$ 54,350,569	\$ 43,504,090
Capital assets	52,407,673	52,647,856	32,539,344	28,702,802	84,947,017	81,350,658
Total assets	\$98,102,480	\$ 89,798,397	\$41,195,106	\$35,056,351	\$139,297,586	\$124,854,748
Deferred outflows of resources						
Deferred pension and OPEB charges	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total deferred outflows of resources	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Current liabilities	\$ 5,048,146	\$ 3,224,049	\$ 1,266,812	\$ 1,486,985	\$ 6,314,958	\$ 4,711,034
Long-term liabilities	69,753,042	66,122,003	10,609,502	9,234,014	80,362,544	75,356,017
Total liabilities	\$74,801,188	\$ 69,346,052	\$11,876,314	\$10,720,999	\$ 86,677,502	\$ 80,067,051
Deferred inflows of resources						
Deferred pension credits	\$ 1,714,648	\$ 8,513,339	\$ 1,544,334	\$ 957,359	\$ 3,258,982	\$ 9,470,698
Deferred revenue	1,233,832	204,723	72,058	72,487	1,305,890	277,210
Total deferred inflows of resources	\$ 2,948,480	\$ 8,718,062	\$ 1,616,392	\$ 1,029,846	\$ 4,564,872	\$ 9,747,908
Net position:						
Net investment in capital assets	\$21,864,955	\$ 20,643,491	\$23,744,776	\$21,582,827	\$ 45,609,731	\$ 42,226,318
Restricted	2,132,005	1,531,212	-0-	-0-	2,132,005	1,531,212
Unrestricted	(3,644,148)	(10,440,420)	3,957,624	1,722,679	313,476	(8,717,741)
Total net position	\$20,352,812	\$ 11,734,283	\$27,702,400	\$23,305,506	\$ 48,055,212	\$ 35,039,789

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 \$27.7 million in fiscal year 21-22.

Changes in Net Position

The City's total revenues amounted to \$43.4 million in fiscal year 21-22 (See Table A-2). The largest revenue category is taxes, which amounted to \$29.8 million. In fiscal year 21-22, 72% of all taxes came from sales tax collections. \$13.2 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 \$30.7 million in fiscal year 21-22. 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 inflows of resources of \$4,564,872 decreased \$5,183,036 due to the deferred pension charges recognized according to the actuarial valuation.

The City's total liabilities of \$86,677,502 increased \$6,610,451 mostly due to pension related accounts.

Table A-2
City of Mt. Vernon, Illinois' Changes in Net Position
4/30/22

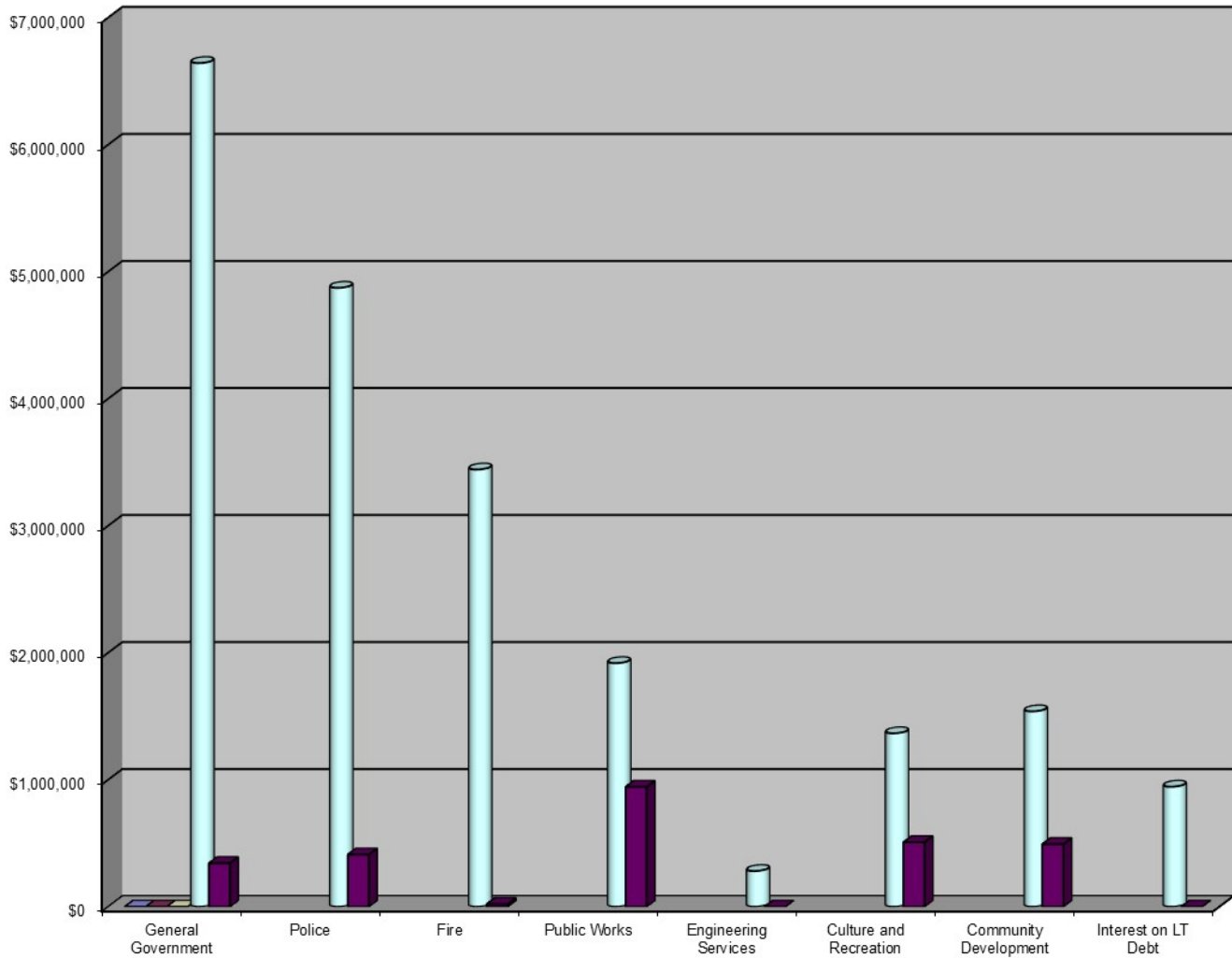
	Governmental Activities 4/30/22	Governmental Activities 4/30/21	Business-Type Activities 4/30/22	Business-Type Activities 4/30/21	Total 4/30/22	Total 4/30/21
Revenues:						
Program revenues:						
Charges for services	\$ 1,133,643	\$ 1,563,926	\$ 9,740,514	\$ 9,414,385	\$10,874,157	\$10,978,311
Operating grants/ contributions	140,774	813,097	-0-	-0-	140,774	813,097
Capital grants/ contributions	1,449,938	1,210,539	788,886	1,011,684	2,238,824	2,222,223
General revenues:						
Sales taxes	21,457,896	17,978,795	-0-	-0-	21,457,896	17,978,795
Property taxes	2,395,513	2,417,762	-0-	38,200	2,395,513	2,455,962
Other taxes	5,995,784	4,461,656	-0-	-0-	5,995,784	4,461,656
Unrestricted grants	169,000	4,500	-0-	-0-	169,000	4,500
Other	174,157	375,828	22,108	30,985	196,265	406,813
Total revenues	<u>32,916,705</u>	<u>28,826,103</u>	<u>10,551,508</u>	<u>10,495,254</u>	<u>43,468,213</u>	<u>39,321,357</u>
Expenses:						
General government	6,762,723	6,763,890	-0-	-0-	6,762,723	6,763,890
Public safety	8,956,903	7,483,020	-0-	-0-	8,956,903	7,483,020
Public works	1,917,993	1,984,409	-0-	-0-	1,917,993	1,984,409
Engineering services	281,181	343,731	-0-	-0-	281,181	343,731
Health and sanitation	-0-	-0-	8,830,068	8,889,192	8,830,068	8,889,192
Culture and recreation	1,365,774	1,072,187	-0-	-0-	1,365,774	1,072,187
Community development	1,538,312	1,621,145	-0-	-0-	1,538,312	1,621,145
Interest on long-term debt	944,949	467,366	166,754	320,515	1,111,703	787,881
Total expenses	<u>21,767,835</u>	<u>19,735,748</u>	<u>8,996,822</u>	<u>9,209,707</u>	<u>30,764,657</u>	<u>28,945,455</u>
Change before transfers	11,148,870	9,090,355	1,554,686	1,285,547	12,703,556	10,375,902
Transfers	(3,304,719)	(2,487,704)	2,842,208	2,057,666	(462,511)	(430,038)
Increase in net position	<u>7,844,151</u>	<u>6,602,651</u>	<u>4,396,894</u>	<u>3,343,213</u>	<u>12,241,045</u>	<u>9,945,864</u>
Net position - beginning, as previously reported	11,734,283	5,131,632	23,305,506	19,962,293	35,039,789	25,093,925
Cumulative change in accounting principle - See Note 13	774,378	-0-	-0-	-0-	774,378	-0-
Net position - beginning, restated	<u>12,508,661</u>	<u>5,131,632</u>	<u>23,305,506</u>	<u>19,962,293</u>	<u>35,814,167</u>	<u>25,093,925</u>
Net position - ending	<u>\$20,352,812</u>	<u>\$11,734,283</u>	<u>\$27,702,400</u>	<u>\$23,305,506</u>	<u>\$48,055,212</u>	<u>\$35,039,789</u>

Governmental Activities: Net position for governmental activities increased by \$8,618,529 in the current year.

Business-Type Activities: Net position for business-type activities increased by \$4,396,894 in the current year.

Governmental Activities

Expenses and Program Revenues - Governmental Activities (Graph 1)

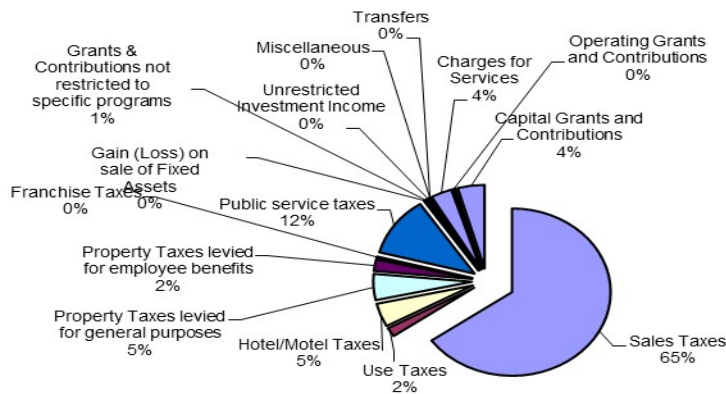


Graph 1 presents the cost of each of the City's seven largest programs - general government, police, fire, public works, engineering services, culture and recreation and community development, as well as each program's net cost (total cost less fees generated by the activities). The net cost shows the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

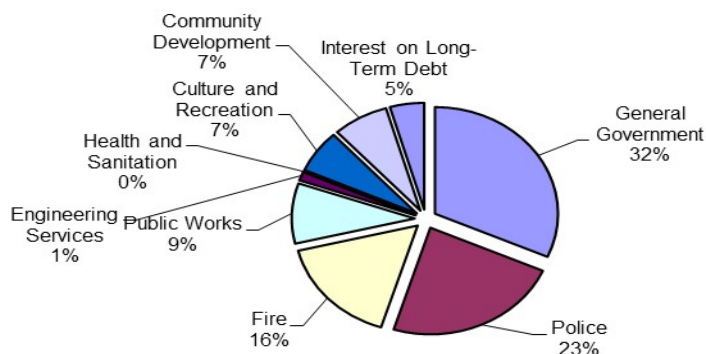
- The cost of all governmental activities this year was \$21,767,835.
- However, the amount that our taxpayers paid for these activities through City revenues was \$19,043,480. Some of the cost was paid by:
 - Those who directly benefitted from the programs \$1,133,643 or
 - Other governments and organizations that subsidized certain programs with grants and contributions \$1,590,712.
- The City paid for the \$19,043,480 "public benefit" portion with \$30,192,352 in taxes and other revenues, such as interest earnings and unrestricted grants.
- General government required the largest net amount of public funds after subtracting program revenue and grants and contributions. The total subsidy was \$6,418,810 in fiscal year 21-22.

- Public works required the fifth largest net amount of public funds after subtracting program revenue and grants and contributions. The total subsidy was \$973,375 in fiscal year 21-22.
- Police and fire required the second and third largest net amount of public funds after subtracting program revenue and grant contributions. The total subsidy for police was \$5,044,706, while fire was \$3,478,221.
- Administration and support services comprised 32% of total expenses in fiscal year 21-22.
- 65% of all governmental activities revenue came from sales tax revenue in fiscal year 21-22 (see Graph 2).
- 39% of all governmental activities expenses were for police (23%) and fire (16%), 32% went for general government, and 9% went for public works (see Graph 3).

Revenue by Source - Governmental Activities (Graph 2)



Expenses - Governmental Activities (Graph 3)



Business-Type Activities

Revenues of the City's business-type activities were \$10,551,508, and expenses were \$8,996,822 (Refer to Table A-2).

The 2021-2022 Budget for the Water Fund projected an Operating Working Fund Balance (defined in the section "General Corporate Fund Budgetary Highlights" below) on April 30, 2022 of \$1,030,685.

The Water Fund ended the 2021-2022 fiscal year with an actual Operating Working Fund Balance of \$1,708,599, which is \$783,047 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) Operating revenues for fiscal year 2021-2022 came in approximately \$124,709 over budget amount of \$4,425,566.
- (2) Operating expenses for the fiscal year 2021-2022 came in approximately \$42,572 under budgeted amount of \$3,890,909.

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

The 2021-2022 Budget for the Sewer Fund projected an Operating Working Fund Balance on April 30, 2022 of \$644,147.

The Sewer Fund ended the 2021-2022 fiscal year with an actual Operating Working Fund Balance of \$(96,789) which is \$43,036 less than originally projected in the operating budget for that year. The major differences between the actual realized amount and the originally budgeted amount are:

- (1) Operating revenues for fiscal year 2021-2022 came in approximately \$115,206 under budgeted amount of \$2,945,767.
- (2) Operating expenses for the fiscal year 2021-2022 came in approximately \$40,475 under budgeted amount of \$3,085,592.

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

The Sanitation Fund ended the 2021-2022 fiscal year with an actual Operating Working Fund Balance of \$46,243 when the 2021-2022 operating budget had projected \$32,761 which is \$13,482 more than originally projected. This increase was primarily due to the following:

- (1) Operating revenues for the fiscal year came in approximately \$22,000 under budget.
- (2) Operating expenses for the fiscal year came in approximately \$35,000 under budget.

FINANCIAL ANALYSIS OF THE CITY FUNDS

As the City completed its 2021-2022 fiscal year, its governmental funds reported a combined fund balance of \$33,353,694 which is an increase of \$5,397,094. The increase is accounted for in the next paragraph.

The General Corporate Fund's combined fund balance was \$9,587,647, an increase of \$1,216,161. The combined fund balance of the Quality of Life Fund increased \$1,730,110 to \$9,351,720; the combined fund balance of the General Corporate Capital Fund increased \$1,355,996 to \$2,112,732; the combined fund balance of the Motor Fuel Tax Fund increased \$600,977 to \$2,130,625; the combined fund balance of the Home Rule Tax decreased \$1,155,509 to \$7,723,568; the combined fund balance of the Downtown TIF Fund decreased \$65,319 to negative \$(67,412); and the combined fund balances of the other governmental funds increased \$1,714,676 to \$2,514,814.

General Corporate Fund Budgetary Highlights

"Operating Working Fund Balance" is a term that the City uses regularly that consists of the "Unassigned Fund Balance", which is net of non-spendable, restricted, committed and assigned fund balance amounts. It represents liquid unrestricted net position that is available for future periods and is a number that we monitor closely. Our initial fiscal year 2021-2022 Budget for the General Corporate Fund, our largest operating fund of the City, and which includes the Aquatic Zoo Fund, predicted an Operating Working Fund Balance on April 30, 2022 of \$5,978,358. The accompanying financial statements show the General Corporate Fund as having an actual Operating Working Fund Balance, or Unassigned Fund Balance, of \$9,958,373 on April 30, 2022, an increase of \$3,980,015 over the original budgeted amount.

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

- (1) Actual total revenues recognized for fiscal year 2021-2022 were \$5,293,126 higher than those originally budgeted \$13,526,956 with sales taxes coming in at \$11,753,914 or \$6,024,514 over the original budget, and use taxes coming in at \$577,366 or \$41,255 under the original budget, state income tax \$2,363,864 or \$663,120 over the original budget of \$1,700,744.
- (2) Actual total expenditures incurred for fiscal year 2021-2022 were \$15,121,833, less than those originally budgeted at \$16,369,060, coming in at \$1,247,227 less than originally budgeted, Police Department expenditures coming in at \$5,188,271 or \$464,046 under the original budget amount of \$5,652,317, Fire Department expenditures coming in at \$3,420,103 or \$206,626 over the original budget of \$3,213,477, Public Works Department expenditures coming in at \$1,733,619 or \$20,857 over the original budget, Engineering Department expenditures coming in at \$394,832 or \$34,979 over the original budget of \$429,811 and Culture and Recreation expenditures coming in at \$942,669 or \$82,718 under budgeted amount of \$1,025,387, including the Aquatic Zoo budget of \$418,178 which was under budget of \$34,361.

The City maintains a conservative philosophy in its budgeting process.

We also increased our property taxes 0% from the previous year for 2021-2022, with the creation of the Pension Sales Tax Fund to subsidize the pension expense of the City.

Other Governmental Funds Budgetary Highlights

General Corporate Capital Fund was set up on May 1, 2012. The 1% Food and Beverage Tax, the 2-cent per gallon Diesel Fuel Tax, the 1% Telecommunications Tax, grant income, interest income, miscellaneous

income, bond and loan proceeds and transfers from other funds for capital expenditures are deposited into this fund. The funds accumulated from these revenues, after eligible disbursements, ended the fiscal year 2021-2022 with a positive balance of \$2,112,732 including receivables, that has been committed by the City Council to finance future capital expenditures, infrastructure improvements and related debt service payments. The 2010 bond proceeds, which were refunded in September 2020, have now been spent and the principal recorded in the General Corporate Capital Fund was 34.8455% of the total, based on actual amounts spent. The Water Fund has recorded 65.1545% of the total. The General Corporate Capital Fund's share of the 2012 general obligation bonds issued by the City in October 2012 and later refunded in September 2020, was \$12,635,088, based on an estimate of capital and infrastructure projects in the Capital Projects Fund to be funded with those bond proceeds and the spend down of these funds has been accounted for in this fund. That estimate was high and during the year ended April 30, 2019 the unspent amount of these bond proceeds, \$2,623,251, was transferred to the Quality of Life Fund and to the Water Fund where they have been spent. The applicable portions of the debt service on these two bond issues, which are now called the Series 2020 Bonds is paid with restricted assets in this fund. 2022 revenues went \$1,521,385 or \$70,492 over budget and expenses of \$554,007 were \$1,988,713 under budget.

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 and refunded in September 2020, which totaled \$19,871,340 allocated to this fund; a ½% Home Rule Sales Tax that was effective July 1, 2012; grant income; loans for capital expenditures; interest income; miscellaneous income and transfers from other funds for capital expenditures. We projected a total Working Fund balance of \$292,289 on April 30, 2022 and the actual amount was \$9,351,720. In September 2020 \$20,284,218 of the Series 2020 bond proceeds was allocated to this fund. Of that amount \$14,331,867 was used to refund the Series 2010 and 2012 bond principal amounts allocated to this fund and an additional \$5,952,351 was issued to finance the construction of a new police station.

The Motor Fuel Tax Fund budget for 2021-2022 projected a working fund balance on April 30, 2022 of \$1,415,660. The actual working fund balance on April 30, 2022 was \$2,130,625, an increase of \$714,965, due to revenues coming in at \$948,528 (\$51,095 over budget) and expenses coming in at \$347,551 (\$663,870 under budget).

The Home Rule Sales Tax Fund, a special revenue fund, was created on January 1, 2018 to account for the revenue received from the new 1% home rule sales tax that was effective on that same date. The City Council restricted the use of this fund to expenses incurred for capital construction projects for the Water and Sewer Funds, capital equipment purchases for all City Departments, capital expenditures for road construction or road maintenance, early retirement of existing indebtedness and nuisance abatement expenditures including demolition of dangerous and dilapidated structures. The budget for 2021-2022 projected a total Working Fund Balance Deficit on April 30, 2022 of \$(75,824). The actual Working Fund Balance on April 30, 2022 was \$7,723,768, an increase of \$7,799,592. Of the Series 2020 bonds issued \$6,147,958 was allocated to this fund to finance various capital projects. 25% of the net revenues in this fund are tentatively earmarked for Water Fund projects, 25% for Sewer Fund projects, and the other 50% are tentatively earmarked for the other restricted purposes mentioned above.

Internal Service Fund Budgetary Highlights

The City's self-insured Health Insurance Fund budgeted a 0% increase in its premiums charged to all the City's applicable funds effective January 1, 2022, since we had substantial increases as of January 1, 2016 and January 1, 2017 attributable to abnormally high amounts of claims in 2015 and 2016. Our claims had decreased in 2017 and we had a 0% increase as of January 1, 2018. Our claims continued to be low in 2021 and we did in fact have a 0% increase on January 1, 2022 as budgeted. The Health Insurance Fund budget for 2022-2023 projected an ending fund balance on April 30, 2022 of \$2,871,159. The actual ending fund balance on April 30, 2022 was \$2,349,768, a decrease of \$521,391.

Table A-3
City of Mt. Vernon, Illinois' Capital Assets
4/30/22

	Governmental Activities 4/30/22	Governmental Activities 4/30/21	Business-Type Activities 4/30/22	Business-Type Activities 4/30/21	Total 4/30/22	Total 4/30/21
Land	\$ 6,096,015	\$ 6,050,257	\$ 150,379	\$ 150,379	\$ 6,246,394	\$ 6,200,636
Buildings and improvements	6,544,086	6,544,086	12,456,385	12,456,385	19,000,471	19,000,471
Equipment	14,006,350	12,867,330	2,306,856	1,752,326	16,313,206	14,619,656
Infrastructure	64,247,101	62,123,250	51,385,167	46,723,193	115,632,268	108,846,443
Total	<u>\$90,893,552</u>	<u>\$87,584,923</u>	<u>\$66,298,787</u>	<u>\$61,082,283</u>	<u>\$157,192,339</u>	<u>\$148,667,206</u>

Long-Term Debt:

At year-end, the City had \$35,470,000 in bonds outstanding - a decrease of \$1,800,000 over the prior year. Other long-term debt outstanding at year end was \$4,703,525, an increase of \$1,780,811. 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
2020 general obligation
bonds in August 2020.

Table A-4
City of Mt. Vernon, Illinois' Outstanding Debt
4/30/22

	Governmental Activities 4/30/22	Governmental Activities 4/30/21	Business-Type Activities 4/30/22	Business-Type Activities 4/30/21	Total 4/30/22	Total 4/30/21
General obligation bonds	\$30,680,792	\$32,184,462	\$ 4,789,208	\$5,085,538	\$35,470,000	\$37,270,000
Compensated absences	248,047	310,992	69,664	67,965	317,711	378,957
Other long-term debt	625,910	781,868	4,077,615	2,140,846	4,703,525	2,922,714
Net pension obligation	27,630,210	21,046,057	(1,280,714)	(321,479)	26,349,496	20,724,578
Net other post employment benefits obligation	5,379,987	6,479,504	924,192	1,113,072	6,304,179	7,592,576
	<u>\$64,564,946</u>	<u>\$60,802,883</u>	<u>\$ 8,579,965</u>	<u>\$8,085,942</u>	<u>\$73,144,911</u>	<u>\$68,888,825</u>

NEXT YEAR'S BUDGET HIGHLIGHTS

We prepare a budget for all funds except for the Police and Firefighters' Pension Funds. Our total City-wide budgeted expenditures for the fiscal year ending April 30, 2023 are \$79,344,593.

GENERAL FUNDS BUDGETARY HIGHLIGHTS

The General Funds are made up of the General Corporate Fund and the Aquatic Zoo Fund. Together, they comprise the major operating fund of the City. We have separated the Aquatic Zoo Fund from the General Corporate Fund to track its operating results.

The General Corporate Fund is expected to end 2022-2023 with an operating surplus of \$234,958 which includes transfers to \$2 million each to the Capital Projects and Quality of Life Funds. This surplus is attributable to operating revenues expected to be \$3,290,374 over budget and operating expenses are expected to be \$839,409 under budget.

The General Corporate working fund balance for Operations projected on April 30, 2023 in this fund is \$8,586,688, with total expenditures for operations projected at \$15,500,767. We have proposed a surplus in operations of \$81,749 in the General Corporate Fund for the year ended April 30, 2023. After this surplus, we expect to have 6.6 months' worth of operating expenditures in our Operating Working Fund Balance.

2022-2023 will be the fifth full year since we raised the fees for liquor and video gaming licenses. We had no increase in our property taxes from the previous year, with the Council passing a 0.25% increase in our Home Rule Sales Tax, effective July 1, 2020, to subsidize the tax levy for the three pension funds of the City.

As discussed more completely below, our self-insured health insurance rates were not increased on January 1, 2022 for the fifth year in a row. We have also budgeted for no increase on January 1, 2023.

General Corporate's repayment for labor and equipment from the Motor Fuel Tax Fund has been zero for four years and has also been budgeted at \$0 for 2022-2023. We hope to be able to continue this "no charge" in the future.

The City manages the Aquatic Zoo with internal staff. Revenues were \$36,465 under budget for the prior year. This has resulted in the fund to have a negative working fund balance of \$(157,143) on April 30, 2022. It is estimated to have a projected operating deficit for 2022-2023 of \$(245,171). 2022-2023 will be the ninth season of operations.

SPECIAL REVENUE FUNDS BUDGETARY HIGHLIGHTS

The City has eleven "Special Revenue Funds" whose revenues are earmarked for specific purposes and are not to be used for general operating purposes.

Included in this class of funds is the Quality of Life/Economic Development Fund. This fund is limited to expenditures that improve the quality of life of our citizens or provide economic development to our City and accounts for the 0.5% Home Rule Sales Tax started on July 1, 2012. We are projecting a total working fund balance on April 30, 2023, of \$416,662 in this fund.

General Corporate Capital Projects Fund is another Special Revenue Fund, created on May 1, 2012 to account for the 1% Food and Beverage Tax, 2 cents per gallon Diesel Fuel Tax, and the additional 1% Telecommunications Tax which have been restricted by the City Council to be used to finance capital and infrastructure expenditures and related debt service expenses. These restricted funds, in addition to occasional transfers from the General Corporate Fund, are used to pay the debt service on a portion of the 2010 and 2012 bonds, which were later refunded in September 2020, other loan debt service expenditures, and various capital and infrastructure improvements. This fund is projected to have a total working fund balance of \$290,941 on April 30, 2023. In the Capital Projects Fund, we are proposing to spend a total of \$5.34 million for capital and infrastructure expenditures and related debt service expenses during 2022-2023.

Also included in the Special Revenue Funds is the Home Rule Sales Tax Fund, which was created to account for the 1% Home Rule Sales Tax that went into effect on January 1, 2018. The City Council restricted the use of this funding to expenses incurred for capital construction projects for the Water and Sewer Funds, capital vehicle and equipment purchases for all City Departments, capital expenditures for road construction or road maintenance, early retirement of existing indebtedness and nuisance abatement expenditures including demolition of dangerous and dilapidated structures. A total of \$6.14 million of the 2020 general obligation bonds was allocated to this fund for various road projects. The annual payments for these bonds will be approximately \$373,000. A total of \$7.75 million has been budgeted in this fund for equipment, capital and infrastructure expenditures in 2022-2023. The working fund balance in this fund is projected to be \$160,774 on April 30, 2023.

A Special Revenue Fund, the Pension Sales Tax Fund, was created for the 0.25% Home Rule Sales Tax that went into effect on July 1, 2020. This sales tax will subsidize the property taxes levied for pension funds, including IMRF, FICA, Medicare, Police and Firefighters' Pension. The working fund balance in this fund is projected to be \$1,401,639 on April 30, 2023.

PROPRIETARY FUNDS BUDGETARY HIGHLIGHTS

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

The Sanitation Fund records the revenues and expenses associated with garbage collection, recycling, yard waste pick-up and bulk trash pick-up. The monthly rates were last changed to \$19.00 per month effective May 1, 2016. We are proposing a \$2.50 per month per customer increase effective May 1, 2022 to offset the annual contract increases with Republic and rising fuel costs. We are hopeful that with the increase in revenues the fund will have a working fund balance on April 30, 2023 of \$5,039.

The City maintains a self-insured Health Insurance Fund, which is also treated as a Proprietary Fund. It is considered an "Internal Service Fund". The City's health insurance is one of its largest line-item expenses. We did not have increases from the beginning of 2018 through 2022, after substantial increases during 2016 and 2017. Also, we are estimating no increase in our rates effective January 1, 2023. 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. We are projecting a working fund balance of \$3,327,876 on April 30, 2023.

The Public Utilities - Water Fund operates the water distribution system of the City. The Water Fund is projected to have an operating surplus of \$649,080 for 2021-2022. The fund is also projecting a working fund balance for operations on April 30, 2023 of \$528,400 and total expenditures for operations of \$3,981,225. We are proposing \$7.04 million of capital expenses, infrastructure improvements and related debt service expenses in the Water Fund for 2022-2023. Approximately 19.5% of the 2010 and 2012 general obligation bonds were allocated to the Water Fund. These bonds were refunded in September 2020, which resulted in an annual payment reduction of roughly \$188,000.

The Public Utilities - Sewer Fund operates the sanitary sewer systems of the City. The Sewer Fund was separated out of the previous Public Utilities Fund on May 1, 2018, leaving the Water Fund to operate separately as well. The Sewer Fund is projected to have an operating deficit of \$(142,096) for 2022-2023, a working fund balance for operations on April 30, 2023 of \$428,563 and total expenditures for operations of \$3.165 million. We have projected again an operating transfer from the Water Fund to the Sewer Fund in the amount of \$332,000 to partially offset the operating deficit of the Sewer Fund. We are proposing \$8.3 million of capital expenses, infrastructure improvements and related debt service expenses in the Sewer Fund for 2022-2023. We are also proposing a 5% increase in the sewer rate effective May 1, 2022 to offset the rising cost of operations.

Water and Sewer revenue from a 3% rate increase on May 1, 2009 and 3% rate increases on November 1, 2009, 2010, 2011, and 2012 have been restricted by the City Council for capital, infrastructure, and related debt service expenses. These funds are being separately accounted for in the Water and Sewer Funds.

Effective November 1, 2016, and each November 1 since then, an additional 2% increase in water and sewer rates was implemented and was also restricted by the City Council for capital, infrastructure, and related debt service expenses. These funds are being separately accounted for in the Water and Sewer Funds.

The City's self-insured Health Insurance Fund, which is considered an "Internal Service Fund", is projected to have a Working Fund Balance of \$1,801,144 at April 30, 2023. We are estimating no increase in our rates effective January 1, 2023 and had no increase on January 1, 2022 or the two previous years. Effective May 1, 2016 we transferred our health insurance coverage for 56 retirees to Medicare Plan F coverage and have since transferred additional retirees to this plan.

Noncompliance with the City's Financial Policies

On October 1, 2012, the City Council passed as an ordinance the "City of Mt. Vernon, IL Financial Policies", which, among other things, implemented a policy as to the amount of Operating Working Fund Balance that each fund should maintain. On April 30, 2022, the City is in compliance with that policy in all but the following funds:

	Operating Working Fund Balance	Amount Required	Shortage
Downtown TIF	\$ (67,412)	\$99,933	\$ (167,345)

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

CITY OF MT. VERNON, ILLINOIS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL CORPORATE FUND—SEPARATED BY
 RESTRICTED, NONSPENDABLE AND UNASSIGNED FUND BALANCES
 For the Fiscal Year Ended April 30, 2022

	General Corporate Fund			Totals
	Restricted & Nonspendable Amounts	Unassigned Aquatic Zoo Amounts	Unassigned Amounts (Operating)	
Revenues:				
Sales taxes	\$ -0-	\$ -0-	\$11,753,914	\$11,753,914
Use taxes	-0-	-0-	577,366	577,366
Hotel/motel taxes	-0-	-0-	1,065,509	1,065,509
Property tax levied for general purposes	-0-	-0-	288,694	288,694
Franchise taxes	-0-	-0-	132,626	132,626
Public service taxes	-0-	-0-	3,803,653	3,803,653
Unrestricted investment income	-0-	-0-	19,882	19,882
Miscellaneous	-0-	-0-	62,523	62,523
Operating grants and contributions	-0-	-0-	22,094	22,094
Charges for services	39,235	341,028	713,558	1,093,821
Total revenues	<u>39,235</u>	<u>341,028</u>	<u>18,439,819</u>	<u>18,820,082</u>
Expenditures:				
Current				
General government	-0-	-0-	3,302,588	3,302,588
Public safety				
Police	11,706	-0-	5,176,565	5,188,271
Fire	-0-	-0-	3,420,103	3,420,103
Public works	-0-	-0-	1,733,619	1,733,619
Engineering services	-0-	-0-	394,832	394,832
Culture and recreation	-0-	383,817	558,852	942,669
Debt service				
Principal retirement	-0-	-0-	124,950	124,950
Interest and fiscal charges	-0-	-0-	14,801	14,801
Total expenditures	<u>11,706</u>	<u>383,817</u>	<u>14,726,310</u>	<u>15,121,833</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,529</u>	<u>(42,789)</u>	<u>3,713,509</u>	<u>3,698,249</u>
Other financing sources (uses):				
Transfers to other funds	(1,638)	-0-	(2,274,225)	(2,275,863)
Sale of assets	-0-	-0-	12,300	12,300
Total other financing sources (uses)	<u>(1,638)</u>	<u>-0-</u>	<u>(2,261,925)</u>	<u>(2,263,563)</u>
Net change in fund balances	25,891	(42,789)	1,451,584	1,434,686
Fund balances, beginning	222,329	(120,824)	8,269,981	8,371,486
Prior period adjustment - Note 13	-0-	-0-	400,421	400,421
Fund balances, ending	<u>\$248,220</u>	<u>\$(163,613)</u>	<u>\$10,121,986</u>	<u>\$10,206,593</u>

CITY OF MT. VERNON, ILLINOIS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 WATER FUND - SEPARATED BY COMMITTED, CAPITAL,
 OTHER LONG-TERM AND UNRESTRICTED BALANCES
 For the Fiscal Year Ended April 30, 2022

	Water Fund				Totals
	Committed Amounts	Net Investment in Capital Assets	Other Long-Term Amounts	Unrestricted Amounts (Operating)	
<u>Operating revenues:</u>					
User charges	\$ 674,267	\$ -0-	\$ -0-	\$4,259,414	\$4,933,681
Other operating revenue	-0-	-0-	-0-	41,443	41,443
Total operating revenues	<u>674,267</u>	<u>-0-</u>	<u>\$ -0-</u>	<u>4,300,857</u>	<u>4,975,124</u>
<u>Operating expenses:</u>					
Administration	-0-	-0-	(446,750)	1,592,850	1,146,100
Cost of sales and services	-0-	-0-	-0-	2,095,275	2,095,275
Depreciation	-0-	649,534	-0-	-0-	649,534
Total operating expenses	<u>-0-</u>	<u>649,534</u>	<u>(446,750)</u>	<u>3,688,125</u>	<u>3,890,909</u>
Operating income (loss)	<u>674,267</u>	<u>(649,534)</u>	<u>446,750</u>	<u>612,732</u>	<u>1,084,215</u>
<u>Non-operating revenues (expenses):</u>					
Non-operating revenues	13,055	-0-	-0-	133,850	146,905
Interest and fiscal charges - bonds	(238,969)	-0-	-0-	-0-	(238,969)
Debt incurred	1,741,225	(1,741,225)	-0-	-0-	-0-
Principal paid on debt	(844,660)	844,660	-0-	-0-	-0-
Unamortized bond premium	-0-	-0-	76,071	(76,071)	-0-
Capital expenses that will be depreciated	(2,528,432)	2,528,432	-0-	-0-	-0-
Total non-operating revenues (expenses)	<u>(1,857,781)</u>	<u>1,631,867</u>	<u>76,071</u>	<u>57,779</u>	<u>(92,064)</u>
Income before contributions and transfers	(1,183,514)	982,333	522,821	670,511	992,151
Transfers from (to) other funds	<u>1,557,107</u>	<u>-0-</u>	<u>-0-</u>	<u>(332,000)</u>	<u>1,225,107</u>
Change in net position	373,593	982,333	522,821	338,511	2,217,258
Prior period adjustment - debt additions April 30, 2021	(444,536)	-0-	-0-	444,536	-0-
Net position - beginning	<u>(96,821)</u>	<u>9,215,163</u>	<u>(2,320,702)</u>	<u>925,552</u>	<u>7,723,192</u>
Total net position - ending	<u>\$ (167,764)</u>	<u>\$10,197,496</u>	<u>\$ (1,797,881)</u>	<u>\$1,708,599</u>	<u>\$9,940,450</u>

CITY OF MT. VERNON, ILLINOIS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 SEWER FUND - SEPARATED BY COMMITTED, CAPITAL,
 OTHER LONG-TERM AND UNRESTRICTED BALANCES
 For the Fiscal Year Ended April 30, 2022

	Sewer Fund				Totals
	Committed Amounts	Net Investment in Capital Assets	Other Long-Term Amounts	Unrestricted Amounts (Operating)	
<u>Operating revenues:</u>					
User charges	\$ 674,046	\$ -0-	\$ -0-	\$2,795,231	\$ 3,469,277
Other operating revenue	-0-	-0-	-0-	35,330	35,330
Total operating revenues	<u>674,046</u>	<u>-0-</u>	<u>-0-</u>	<u>2,830,561</u>	<u>3,504,607</u>
<u>Operating expenses:</u>					
Administration	-0-	-0-	(114,390)	1,023,969	909,579
Cost of sales and services	-0-	-0-	-0-	2,102,098	2,102,098
Depreciation	-0-	731,016	-0-	-0-	731,016
Total operating expenses	<u>-0-</u>	<u>731,016</u>	<u>(114,390)</u>	<u>3,126,067</u>	<u>3,742,693</u>
Operating income (loss)	<u>674,046</u>	<u>(731,016)</u>	<u>114,390</u>	<u>(295,506)</u>	<u>(238,086)</u>
<u>Non-operating revenues (expenses):</u>					
Non-operating revenues	12,122	-0-	-0-	64,163	76,285
Interest and fiscal charges	-0-	-0-	-0-	(3,856)	(3,856)
Debt incurred	816,241	(816,241)	-0-	-0-	-0-
Principal paid on debt	-0-	38,214	-0-	(38,214)	-0-
Capital expenses that will be depreciated	(2,688,659)	2,688,659	-0-	-0-	-0-
Total non-operating revenues (expenses)	<u>(1,860,296)</u>	<u>1,910,632</u>	<u>-0-</u>	<u>22,093</u>	<u>72,429</u>
Income before contributions and transfers	(1,186,250)	1,179,616	114,390	(273,413)	(165,657)
Capital contributions from State	788,861	-0-	-0-	-0-	788,861
Transfers from other funds	1,609,098	-0-	-0-	8,003	1,617,101
Change in net position	1,211,709	1,179,616	114,390	(265,410)	2,240,305
Net position - beginning	<u>3,261,925</u>	<u>12,327,664</u>	<u>(322,808)</u>	<u>168,621</u>	<u>15,435,402</u>
Total net position - ending	<u>\$ 4,473,634</u>	<u>\$13,507,280</u>	<u>\$ (208,418)</u>	<u>\$ (96,789)</u>	<u>\$17,675,707</u>

BASIC FINANCIAL STATEMENTS

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF NET POSITION
For the Fiscal Year Ended April 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$35,668,300	\$ 5,608,098	\$ 41,276,398
Investments	55,385	-0-	55,385
Receivables:			
Accounts, net	1,074,643	898,932	1,973,575
Notes	17,890	-0-	17,890
Due from other funds	900,677	216	900,893
Due from other governments and their agencies	3,468,107	293,277	3,761,384
Property and replacement taxes, net	3,442,576	-0-	3,442,576
Interest	-0-	713	713
Prepaid	4,843	-0-	4,843
Inventories	1,380	183,058	184,438
Prepaid expenses	513,690	91,226	604,916
Restricted assets	328,489	299,528	628,017
Net pension obligation (asset)	218,827	1,280,714	1,499,541
Property and equipment			
Land, improvements, buildings, lines	46,723,378	32,420,011	79,143,389
Other capital assets	5,684,295	119,333	5,803,628
Total Assets	<u>\$98,102,480</u>	<u>\$41,195,106</u>	<u>\$139,297,586</u>
Liabilities			
Payables			
Accounts	\$ 2,216,659	\$ 713,493	\$ 2,930,152
Payroll and related liabilities	1,091,076	191,219	1,282,295
Accrued interest payable	281,622	62,356	343,978
Liabilities payable from restricted assets	82,154	299,528	381,682
Due to other funds	1,376,635	216	1,376,851
General obligation bonds and long-term debt			
Due within one year	2,064,425	989,820	3,054,245
Due in more than one year	29,242,277	7,877,003	37,119,280
Net pension obligation	27,849,037	-0-	27,849,037
Net other post employment benefits obligation	5,379,987	924,192	6,304,179
Unamortized bond premium	5,217,316	818,487	6,035,803
Total Liabilities	<u>\$74,801,188</u>	<u>\$11,876,314</u>	<u>\$ 86,677,502</u>
Deferred Inflows of Resources			
Deferred pension and OPEB charges	\$ 1,714,648	\$ 1,544,334	\$ 3,258,982
Deferred revenue	1,233,832	72,058	1,305,890
Total Deferred Inflows of Resources	<u>\$ 2,948,480</u>	<u>\$ 1,616,392</u>	<u>\$ 4,564,872</u>
Net Position			
Net investment in capital assets	\$21,864,955	\$23,744,776	\$ 45,609,731
Restricted for:			
Public works	2,130,625	-0-	2,130,625
Inventory items	1,380	-0-	1,380
Unrestricted	(3,644,148)	3,957,624	313,476
Total Net Position	<u>\$20,352,812</u>	<u>\$27,702,400</u>	<u>\$ 48,055,212</u>

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

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended April 30, 2022

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	\$ 6,762,723	\$ 288,593	\$ -0-	\$ 55,320	\$ (6,418,810)
Public safety:					
Police	5,456,488	411,782	-0-	-0-	(5,044,706)
Fire	3,500,415	100	22,094	-0-	(3,478,221)
Public works	1,917,993	-0-	-0-	944,618	(973,375)
Engineering services	281,181	-0-	-0-	-0-	(281,181)
Culture and recreation	1,365,774	389,936	118,680	-0-	(857,158)
Community development	1,538,312	43,232	-0-	450,000	(1,045,080)
Interest on long-term debt	944,949	-0-	-0-	-0-	(944,949)
Total government activities	<u>21,767,835</u>	<u>1,133,643</u>	<u>140,774</u>	<u>1,449,938</u>	<u>(19,043,480)</u>
Business-type activities:					
Water, Sewer, and Sanitation Funds (includes interest expense of \$395,202)	8,996,822	9,740,514	-0-	788,886	1,532,578
Total business-type activities	<u>8,996,822</u>	<u>9,740,514</u>	<u>-0-</u>	<u>788,886</u>	<u>1,532,578</u>
Totals	<u>\$30,764,657</u>	<u>\$10,874,157</u>	<u>\$140,774</u>	<u>\$2,238,824</u>	<u>\$ (17,510,902)</u>
		Governmental	Business-Type		
		Activities	Activities	Total	
Change in net position:					
Net (expense) revenue		\$ (19,043,480)	\$ 1,532,578	\$ (17,510,902)	
General revenues:					
Taxes:					
Sales taxes	21,457,896	-0-	21,457,896		
Use taxes	577,366	-0-	577,366		
Hotel/motel taxes	1,494,191	-0-	1,494,191		
Property taxes levied for general purposes	1,656,027	-0-	1,656,027		
Property taxes levied for employee benefits	739,486	-0-	739,486		
Franchise taxes	120,135	-0-	120,135		
Public service taxes	3,804,092	-0-	3,804,092		
Gain on sale of fixed assets	1,740	-0-	1,740		
Grants and contributions not restricted to specific programs	169,000	-0-	169,000		
Unrestricted investment income	96,179	22,108	118,287		
Miscellaneous	76,238	-0-	76,238		
Transfers	(3,304,719)	2,842,208	(462,511)		
Total general revenues and transfers	<u>26,887,631</u>	<u>2,864,316</u>	<u>29,751,947</u>		
Change in net position	7,844,151	4,396,894	12,241,045		
Net position - beginning, as previously reported	11,734,283	23,305,506	35,039,789		
Cumulative change in accounting Principle - see Note 13	<u>774,378</u>	<u>-0-</u>	<u>774,378</u>		
Net position - beginning, restated	<u>12,508,661</u>	<u>23,305,506</u>	<u>35,814,167</u>		
Net position - ending	<u>\$ 20,352,812</u>	<u>\$27,702,400</u>	<u>\$ 48,055,212</u>		

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

CITY OF MT. VERNON, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2022

	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Home Rule Tax	TIF Downtown	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 8,340,403	\$ 9,960,296	\$ 1,782,422	\$2,092,139	\$7,196,758	\$ 279,872	\$2,833,679	\$ 32,485,569
Receivables								
Accounts, net	46,633	-0-	149,809	-0-	797,433	1,600	607,615	1,603,090
Notes	17,890	-0-	-0-	-0-	-0-	-0-	-0-	17,890
Due from other funds	870,927	-0-	-0-	-0-	-0-	-0-	29,750	900,677
Due from other governments and their agencies	2,650,825	394,658	180,501	51,264	-0-	-0-	190,859	3,468,107
Property and replacement taxes, net	446,429	-0-	-0-	-0-	-0-	498,989	1,065,678	2,011,096
Inventories	-0-	-0-	-0-	-0-	-0-	-0-	1,380	1,380
Prepaid expenses	10,144	-0-	-0-	-0-	-0-	-0-	-0-	10,144
Restricted assets	328,489	-0-	-0-	-0-	-0-	-0-	-0-	328,489
Total Assets	\$ 12,711,740	\$ 10,354,954	\$ 2,112,732	\$2,143,403	\$7,994,191	\$ 780,461	\$4,728,961	\$ 40,826,442
LIABILITIES AND FUND BALANCES								
Liabilities								
Payables								
Accounts	\$ 848,111	\$ 1,447	\$ -0-	\$ 12,778	\$ 270,623	\$ 98,884	\$ 68,332	\$ 1,300,175
Payroll and related liabilities	896,408	-0-	-0-	-0-	-0-	-0-	15,866	912,274
Liabilities payable from restricted assets	82,154	-0-	-0-	-0-	-0-	-0-	-0-	82,154
Due to other funds	-0-	-0-	-0-	-0-	-0-	250,000	1,126,635	1,376,635
Total liabilities	1,826,673	1,447	-0-	12,778	270,623	348,884	1,210,833	3,671,238
Deferred inflows of resources								
Deferred revenue	678,474	1,001,787	-0-	-0-	-0-	498,989	1,622,260	3,801,510
Fund balances								
Nonspendable:								
Inventories	-0-	-0-	-0-	-0-	-0-	-0-	1,380	1,380
Prepaid expenses	1,885	-0-	-0-	-0-	-0-	-0-	-0-	1,885
Restricted:								
Dare donations - Police (General Corporate)	447	-0-	-0-	-0-	-0-	-0-	-0-	447
DUI (General Corporate)	103,324	-0-	-0-	-0-	-0-	-0-	-0-	103,324
Federal Drug Force (General Corporate)	29,351	-0-	-0-	-0-	-0-	-0-	-0-	29,351
State/Local drug (General Corporate)	49,156	-0-	-0-	-0-	-0-	-0-	-0-	49,156
Anti-crime FNS	50,738	-0-	-0-	-0-	-0-	-0-	-0-	50,738
Unclaimed evidence	10,132	-0-	-0-	-0-	-0-	-0-	-0-	10,132
Park donations	3,187	-0-	-0-	-0-	-0-	-0-	-0-	3,187
Public works	-0-	-0-	-0-	2,130,625	-0-	-0-	-0-	2,130,625
Committed:								
Community development	-0-	-0-	-0-	-0-	-0-	(67,412)	776,224	708,812
Committed revenues	-0-	9,351,720	-0-	-0-	-0-	-0-	-0-	9,351,720
Convention and Visitors' Bureau Fund	-0-	-0-	-0-	-0-	-0-	-0-	150,924	150,924
Home Rule Tax Fund	-0-	-0-	-0-	-0-	7,723,568	-0-	-0-	7,723,568
Capital, infrastructure, and related debt service expenditures - Taxes	-0-	-0-	2,112,732	-0-	-0-	-0-	-0-	2,112,732
Pension sales tax	-0-	-0-	-0-	-0-	-0-	-0-	956,156	956,156
Unassigned, reported in								
General Corporate	9,958,373	-0-	-0-	-0-	-0-	-0-	-0-	9,958,373
Special revenue funds	-0-	-0-	-0-	-0-	-0-	-0-	11,184	11,184
Total fund balances	10,206,593	9,351,720	2,112,732	2,130,625	7,723,568	(67,412)	1,895,868	33,353,694
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,711,740	\$ 10,354,954	\$ 2,112,732	\$2,143,403	\$7,994,191	\$ 780,461	\$4,728,961	\$ 40,826,442

(Continued)

CITY OF MT. VERNON, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2022

	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Home Rule Tax	TIF Downtown	Other Governmental Funds	Total Governmental Funds
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position								
Total fund balance - total governmental funds	\$ 10,206,593	\$ 9,351,720	\$ 2,112,732	\$2,130,625	\$7,723,568	\$ (67,412)	\$1,895,868	\$ 33,353,694
Amounts reported for governmental activities in the statement of net assets are different because:								
Capital assets of \$90,893,552, net of accumulated depreciation of \$(38,485,879), are not financial resources and, therefore, are not reported in the funds (See Note 4).	8,027,886	23,010,197	14,696,154	1,866,111	4,030,488	-0-	776,837	52,407,673
Property taxes for 2021 payable in 2022	446,429	-0-	-0-	-0-	-0-	668,595	2,175,374	3,290,398
Unamortized bond premium cost	-0-	(2,802,869)	(1,466,996)	-0-	(866,976)	(80,475)	-0-	(5,217,316)
Road and bridge tax	152,180	-0-	-0-	-0-	-0-	-0-	-0-	152,180
Long-term debt	(264,334)	(16,471,162)	(8,583,830)	-0-	(5,140,800)	(485,000)	(361,576)	(31,306,702)
Accrued interest payable	(3,123)	(145,412)	(63,967)	-0-	(60,053)	(5,847)	(3,221)	(281,623)
Sick pay recorded as a liability of the fund	(178,803)	-0-	-0-	-0-	-0-	-0-	-0-	(178,803)
Deferred pension charges	-0-	-0-	-0-	-0-	-0-	-0-	(248,551)	(248,551)
Net pension obligation	(29,315,134)	-0-	-0-	-0-	-0-	-0-	218,827	(29,096,307)
Total OPEB obligation	(5,271,555)	-0-	-0-	-0-	-0-	-0-	(108,432)	(5,379,987)
General liability and business auto insurance - asset of the fund	501,011	165	-0-	-0-	-0-	-0-	7,212	508,388
The internal service fund is used by management to charge the costs of operating the self-insured health care plan (Health Insurance Fund) to the individual funds. The assets and liabilities of the Health Insurance Fund are included in governmental activities, in the government-wide statement of net assets (net of the amount allocated to business-type activities, if any). Internal service fund balances not included in other reconciling items:								
Current assets	3,266,252	-0-	-0-	-0-	-0-	-0-	-0-	3,266,252
Current liabilities	(916,484)	-0-	-0-	-0-	-0-	-0-	-0-	(916,484)
Net position of governmental activities	<u>\$ (13,349,082)</u>	<u>\$ 12,942,639</u>	<u>\$ 6,694,093</u>	<u>\$3,996,736</u>	<u>\$5,686,227</u>	<u>\$ 29,861</u>	<u>\$4,352,338</u>	<u>\$ 20,352,812</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, 2022

	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Home Rule Tax	TIF Downtown	Other Governmental Funds	Total Governmental Funds
Revenues:								
Sales taxes	\$11,753,914	\$ 2,355,144	\$ 1,461,375	\$ -0-	\$ 4,710,049	\$ -0-	\$ 1,177,512	\$ 21,457,994
Use taxes	577,366	-0-	-0-	-0-	-0-	-0-	-0-	577,366
Hotel/motel taxes	1,065,509	-0-	-0-	-0-	-0-	-0-	428,682	1,494,191
Property taxes levied for general purposes	288,694	-0-	-0-	-0-	-0-	471,571	954,357	1,714,622
Property taxes levied for employee benefits	-0-	-0-	-0-	-0-	-0-	-0-	739,167	739,167
Franchise taxes	132,626	-0-	-0-	-0-	-0-	-0-	-0-	132,626
Public service taxes	3,803,653	-0-	-0-	-0-	-0-	-0-	-0-	3,803,653
Unrestricted investment income	19,882	6,986	4,690	3,910	48,166	17	5,792	89,443
Miscellaneous	62,523	-0-	-0-	-0-	-0-	-0-	1,122	63,645
Operating grants and contributions	22,094	-0-	-0-	-0-	-0-	-0-	118,680	140,774
Capital grants and contributions	-0-	-0-	55,320	944,618	168,000	-0-	450,000	1,617,938
Charges for services	1,093,821	-0-	-0-	-0-	-0-	37,882	1,938	1,133,641
Total revenues	18,820,082	2,362,130	1,521,385	948,528	4,926,215	509,470	3,877,250	32,965,060
Expenditures:								
Current								
General government	3,302,588	1,054,368	105,400	-0-	3,164,903	-0-	19,388	7,646,647
Public safety								
Police	5,188,271	-0-	-0-	-0-	-0-	-0-	-0-	5,188,271
Fire	3,420,103	-0-	-0-	-0-	-0-	-0-	-0-	3,420,103
Public works	1,733,619	-0-	-0-	347,551	-0-	-0-	-0-	2,081,170
Engineering services	394,832	-0-	-0-	-0-	-0-	-0-	-0-	394,832
Culture and recreation	942,669	-0-	-0-	-0-	-0-	-0-	550,837	1,493,506
Community development	-0-	-0-	-0-	-0-	-0-	492,947	1,086,437	1,579,384
Debt service								
Principal retirement	124,950	-0-	-0-	-0-	-0-	-0-	-0-	124,950
Interest and fiscal charges	14,801	836,030	448,677	-0-	257,642	25,842	10,318	1,593,310
Total expenditures	15,121,833	1,890,398	554,077	347,551	3,422,545	518,789	1,666,980	23,522,173
Excess (deficiency) of revenues over (under) expenditures	3,698,249	471,732	967,308	600,977	1,503,670	(9,319)	2,210,270	9,442,887
Other financing sources (uses)								
Transfers to/from other funds	(2,275,863)	2,000,000	919,809	-0-	(2,842,208)	(16,000)	(1,090,457)	(3,304,719)
Sale of assets	12,300	-0-	-0-	-0-	-0-	-0-	-0-	12,300
Principal paid on long-term debt	-0-	(812,596)	(531,121)	-0-	(119,952)	(40,000)	(24,083)	(1,527,752)
Total other financing sources (uses)	(2,263,563)	1,187,404	388,688	-0-	(2,962,160)	(56,000)	(1,114,540)	(4,820,171)
Net change in fund balances	1,434,686	1,659,136	1,355,996	600,977	(1,458,490)	(65,319)	1,095,730	4,622,716
Fund balances, beginning	8,371,486	7,621,610	756,736	1,529,648	8,879,075	(2,093)	800,138	27,956,600
Cumulative change in accounting principle - See Note 13	400,421	70,974	-0-	-0-	302,983	-0-	-0-	774,378
Fund balances, ending	\$10,206,593	\$ 9,351,720	\$ 2,112,732	\$2,130,625	\$ 7,723,568	\$ (67,412)	\$ 1,895,868	\$ 33,353,694

(Continued)

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended April 30, 2022

	<u>General Corporate</u>	<u>Quality of Life</u>	<u>General Corporate Capital</u>	<u>Motor Fuel Tax</u>	<u>Home Rule Tax</u>	<u>TIF Downtown</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities								
Net change in fund balances - total governmental funds	\$1,434,686	\$ 1,659,136	\$ 1,355,996	\$ 600,977	\$ (1,458,490)	\$ (65,319)	\$1,095,730	\$ 4,622,716
Depreciation expense	(531,064)	(1,101,625)	(1,301,049)	(200,708)	(391,640)	-0-	(22,726)	(3,548,812)
Capital asset purchases	19,874	846,310	75,758	-0-	2,355,464	-0-	21,783	3,319,189
Bond premium accretion	-0-	197,590	136,345	-0-	20,229	-0-	-0-	354,164
Property taxes for 2021 payable in 2022	(684)	-0-	-0-	-0-	-0-	32,115	(90,642)	(59,211)
Debt principal paid	124,950	812,596	531,121	-0-	119,952	40,000	31,008	1,659,627
Accrued interest payable	3,123	156,094	96,578	-0-	29,807	10,037	227	295,866
Capital asset disposals	(10,560)	-0-	-0-	-0-	-0-	-0-	-0-	(10,560)
Sick pay	124,463	-0-	-0-	-0-	-0-	-0-	-0-	124,463
Net pension obligation	781,683	-0-	-0-	-0-	-0-	-0-	78,345	860,028
Total OPEB obligation	444,876	-0-	-0-	-0-	-0-	-0-	9,151	454,027
General liability and business auto insurance	46,505	-0-	-0-	-0-	-0-	-0-	1,286	47,791
The internal service fund is used by management to charge the costs of operating the self-insured health care plan (Health Insurance Fund) to the individual funds. The net revenue of the Health Insurance Fund is reported with the governmental activities, in the government-wide statement of activities (net of the amount allocated to business-type activities, if any). Internal service fund balances not included in other reconciling items:								
Change in net position	(275,137)	-0-	-0-	-0-	-0-	-0-	-0-	(275,137)
Change in net position of governmental activities	<u>\$2,162,715</u>	<u>\$ 2,570,101</u>	<u>\$ 894,749</u>	<u>\$ 400,269</u>	<u>\$ 675,322</u>	<u>\$ 16,833</u>	<u>\$1,124,162</u>	<u>\$ 7,844,151</u>

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

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
April 30, 2022

	Business-Type Activities Water Fund	Business-Type Activities Sewer Fund	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities - Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,487,861	\$ 4,045,531	\$ 74,706	\$ 5,608,098	\$3,182,731
Investments	-0-	-0-	-0-	-0-	55,385
Receivables:					
Accounts, net	477,540	352,035	69,357	898,932	28,136
Due from other funds	-0-	293,277	216	293,493	-0-
Interest	713	-0-	-0-	713	-0-
Inventories	183,058	-0-	-0-	183,058	-0-
Prepaid expenses	41,688	49,538	-0-	91,226	-0-
Total current assets	<u>2,190,860</u>	<u>4,740,381</u>	<u>144,279</u>	<u>7,075,520</u>	<u>3,266,252</u>
Restricted assets:					
Cash and cash equivalents	299,528	-0-	-0-	299,528	-0-
Total restricted assets	<u>299,528</u>	<u>-0-</u>	<u>-0-</u>	<u>299,528</u>	<u>-0-</u>
Noncurrent assets:					
Property and equipment	17,915,015	14,464,996	40,000	32,420,011	-0-
Other capital assets	119,333	-0-	-0-	119,333	-0-
Net pension obligation (Asset)	972,904	307,810	-0-	1,280,714	-0-
Total noncurrent assets	<u>19,007,252</u>	<u>14,772,806</u>	<u>40,000</u>	<u>33,820,058</u>	<u>-0-</u>
Total Assets	<u>\$21,497,640</u>	<u>\$19,513,187</u>	<u>\$184,279</u>	<u>\$41,195,106</u>	<u>\$3,266,252</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Current liabilities:					
Payables					
Accounts	\$ 282,396	\$ 333,061	\$ 98,036	\$ 713,493	\$ 916,484
Payroll and related liabilities	162,219	29,000	-0-	191,219	-0-
Accrued interest payable	60,881	1,475	-0-	62,356	-0-
Due to other funds	216	-0-	-0-	216	-0-
Total current liabilities	<u>505,712</u>	<u>363,536</u>	<u>98,036</u>	<u>967,284</u>	<u>916,484</u>
Liabilities payable from restricted assets:					
Accounts payable and accrued liabilities	299,528	-0-	-0-	299,528	-0-
Total liabilities payable from restricted assets	<u>299,528</u>	<u>-0-</u>	<u>-0-</u>	<u>299,528</u>	<u>-0-</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
April 30, 2022

	Business-Type Activities Water Fund	Business-Type Activities Sewer Fund	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities - Internal Service Funds
Noncurrent liabilities:					
General obligation bonds, net, and general long-term debt	8,727,594	957,716	-0-	9,685,310	-0-
Net other post employment benefits obligation	760,914	163,278	-0-	924,192	-0-
Total noncurrent liabilities	9,488,508	1,120,994	-0-	10,609,502	-0-
Total liabilities	10,293,748	1,484,530	98,036	11,876,314	916,484
Deferred inflows of resources					
Deferred pension and OPEB charges	1,191,384	352,950	-0-	1,544,334	-0-
Deferred revenue	72,058	-0-	-0-	72,058	-0-
Total deferred inflows of resources	1,263,442	352,950	-0-	1,616,392	-0-
Net position:					
Net investment in capital assets	10,197,496	13,507,280	40,000	23,744,776	-0-
Committed for:					
Restricted revenue	(167,764)	4,473,634	-0-	4,305,870	-0-
Unrestricted	(89,282)	(305,207)	46,243	(348,246)	2,349,768
Total net position	9,940,450	17,675,707	86,243	27,702,400	2,349,768
Total Liabilities and Fund Balances	\$21,497,640	\$19,513,187	\$184,279	\$41,195,106	\$3,266,252

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, 2022

	Business-Type Activities Water Fund	Business-Type Activities Sewer Fund	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities - Internal Service Funds
<u>Operating revenues</u>					
User charges	\$4,933,675	\$ 3,469,278	\$1,132,313	\$ 9,535,266	\$2,396,469
Other operating revenue	41,073	35,330	-0-	76,403	-0-
Total operating revenues	<u>4,974,748</u>	<u>3,504,608</u>	<u>1,132,313</u>	<u>9,611,669</u>	<u>2,396,469</u>
<u>Operating expenses</u>					
Administration	1,149,449	909,500	31,285	2,090,234	89,649
Cost of sales and services	2,095,275	2,102,098	1,161,909	5,359,282	2,588,690
Depreciation	649,534	731,017	-0-	1,380,551	-0-
Total operating expenses	<u>3,894,258</u>	<u>3,742,615</u>	<u>1,193,194</u>	<u>8,830,067</u>	<u>2,678,339</u>
Operating income (loss)	<u>1,080,490</u>	<u>(238,007)</u>	<u>(60,881)</u>	<u>781,602</u>	<u>(281,870)</u>
Non-operating revenues (expenses):					
Non-operating revenues	74,534	76,206	212	150,952	6,733
Interest and fiscal charges - bonds	(162,898)	(3,856)	-0-	(166,754)	-0-
Total non-operating revenues (expenses)	<u>(88,364)</u>	<u>72,350</u>	<u>212</u>	<u>(15,802)</u>	<u>6,733</u>
Income (loss) before contributions and transfers	992,126	(165,657)	(60,669)	765,800	(275,137)
Capital contributions from State	25	788,861	-0-	788,886	-0-
Transfers from other funds	<u>1,225,107</u>	<u>1,617,101</u>	<u>-0-</u>	<u>2,842,208</u>	<u>-0-</u>
Change in net position	2,217,258	2,240,305	(60,669)	4,396,894	(275,137)
Net position - beginning	<u>7,723,192</u>	<u>15,435,402</u>	<u>146,912</u>	<u>23,305,506</u>	<u>2,624,905</u>
Total net position - ending	<u>\$9,940,450</u>	<u>\$17,675,707</u>	<u>\$ 86,243</u>	<u>\$27,702,400</u>	<u>\$2,349,768</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, 2022

	Business-Type Activities Water Fund	Business-Type Activities Sewer Fund	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 4,949,875	\$ 3,466,735	\$ 1,131,612	\$ 9,548,222	\$ 2,396,469
Cash payments to suppliers for goods and services	(2,723,325)	(2,856,428)	(1,187,631)	(6,767,384)	(1,898,382)
Cash payments to employees and professional contractors for services	(1,145,988)	(345,632)	(2,687)	(1,494,307)	(89,651)
Other operating revenues	41,074	36,005	-0-	77,079	-0-
Net cash provided by (used for) operating activities	<u>1,121,636</u>	<u>300,680</u>	<u>(58,706)</u>	<u>1,363,610</u>	<u>408,436</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	1,225,107	1,617,101	-0-	2,842,208	-0-
Other non-operating revenues	415,025	743,978	-0-	1,159,003	-0-
Net cash provided by noncapital financing activities	<u>1,640,132</u>	<u>2,361,079</u>	<u>-0-</u>	<u>4,001,211</u>	<u>-0-</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(2,528,433)	(2,688,660)	-0-	(5,217,093)	-0-
Interest and fiscal charges paid	(304,452)	(4,255)	-0-	(308,707)	-0-
Proceeds from issuance of long-term debt (net of issuance costs)	1,741,225	816,240	-0-	2,557,465	-0-
Principal paid on long-term debt	(878,815)	(38,213)	-0-	(917,028)	-0-
Net cash (used for) capital and related financing activities	<u>(1,970,475)</u>	<u>(1,914,888)</u>	<u>-0-</u>	<u>(3,885,363)</u>	<u>-0-</u>
Cash flows from investing activities:					
Interest and customer penalty income received	77,419	76,209	211	153,839	6,737
Purchase of investments	-0-	-0-	-0-	-0-	611
Net cash provided by investing activities	<u>77,419</u>	<u>76,209</u>	<u>211</u>	<u>153,839</u>	<u>7,348</u>
Net increase (decrease) in cash and cash equivalents	868,712	823,080	(58,495)	1,633,297	415,784
Cash and cash equivalents at May 1, 2021	<u>918,677</u>	<u>3,222,451</u>	<u>133,201</u>	<u>4,274,329</u>	<u>2,766,947</u>
Cash and cash equivalents at April 30, 2022	<u>\$ 1,787,389</u>	<u>\$ 4,045,531</u>	<u>\$ 74,706</u>	<u>\$ 5,907,626</u>	<u>\$ 3,182,731</u>
Reconciliation of cash and cash equivalents:					
Current assets - cash and cash equivalents	\$ 1,487,861	\$ 4,045,531	\$ 74,706	\$ 5,608,098	\$ 3,182,731
Restricted assets - cash and cash equivalents	299,528	-0-	-0-	299,528	-0-
Total cash and cash equivalents	<u>\$ 1,787,389</u>	<u>\$ 4,045,531</u>	<u>\$ 74,706</u>	<u>\$ 5,907,626</u>	<u>\$ 3,182,731</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF CASH FLOWS - INCREASE (DECREASE) IN CASH
AND CASH EQUIVALENTS
PROPRIETARY FUNDS
Year Ended April 30, 2022

	Business-Type Activities Water Fund	Business-Type Activities Sewer Fund	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities - Internal Service Funds
Operating income (loss)	\$ 1,080,490	\$ (238,007)	\$ (60,881)	\$ 781,602	\$ (281,870)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation	649,534	731,017	-0-	1,380,551	-0-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	10,539	(1,867)	(701)	7,971	11,630
(Increase) decrease in inventories	(82,779)	-0-	-0-	(82,779)	-0-
(Increase) decrease in prepaid expenses	2,310	(10,182)	-0-	(7,872)	-0-
(Increase) decrease in deferred pension charges	426,625	160,350	-0-	586,975	-0-
Increase (decrease) in accounts payable	(106,210)	(74,612)	2,876	(177,946)	678,676
Increase in payroll and related liabilities payable	8,836	8,721	-0-	17,557	-0-
(Decrease) in deferred revenue	(428)	-0-	-0-	(428)	-0-
(Decrease) in net pension obligation	(717,865)	(241,370)	-0-	(959,235)	-0-
(Decrease) in net other post-employment benefits	(155,510)	(33,370)	-0-	(188,880)	-0-
Increase in customer deposits payable	6,094	-0-	-0-	6,094	-0-
Total adjustments	<u>41,146</u>	<u>538,687</u>	<u>2,175</u>	<u>582,008</u>	<u>690,306</u>
Net cash provided by (used for) operating activities	<u>\$ 1,121,636</u>	<u>\$ 300,680</u>	<u>\$ (58,706)</u>	<u>\$ 1,363,610</u>	<u>\$ 408,436</u>
Non-cash investing, capital, and financing activities					
Capital assets contributed	\$ 25	\$ -0-	\$ -0-	\$ 25	\$ -0-
Total non-cash investing, capital, and financing activities	<u>\$ 25</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 25</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, 2022

	Police Pension Fund	Firefighters' Pension Fund	Total Fiduciary Funds
Assets			
Cash and short-term investments	\$ 708,772	\$ 1,301,145	\$ 2,009,917
Investments, at fair value:			
U.S. government and agency obligations	6,138,703	-0-	6,138,703
Mutual funds	13,760,510	15,928,467	29,688,977
Annuities	461	-0-	461
Certificate of deposit	829,621	-0-	829,621
Total investments	<u>20,729,295</u>	<u>15,928,467</u>	<u>36,657,762</u>
Receivables:			
Accounts	140	-0-	140
Property and replacement taxes, net	1,196,174	1,275,451	2,471,625
Due from other funds	191,528	286,411	477,939
Interest and dividends	34,535	-0-	34,535
Total receivables	<u>1,422,377</u>	<u>1,561,862</u>	<u>2,984,239</u>
Total assets	<u>22,860,444</u>	<u>18,791,474</u>	<u>41,651,918</u>
Liabilities:			
Payables:			
Accounts	132	371	503
Benefits payable	149,110	120,009	269,119
Due to other funds	1,042	939	1,981
Total payables	<u>150,284</u>	<u>121,319</u>	<u>271,603</u>
Total liabilities	<u>150,284</u>	<u>121,319</u>	<u>271,603</u>
Net position - held in trust for pension benefits	<u>\$22,710,160</u>	<u>\$18,670,155</u>	<u>\$41,380,315</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, 2022

	Police Pension Fund	Firefighters' Pension Fund	Total Fiduciary Funds
ADDITIONS			
Contributions:			
Employer, property taxes	\$ 892,952	\$ 952,120	\$ 1,845,072
Employer, other funding	184,120	278,391	462,511
Employees	249,619	188,166	437,785
Member transfer contributions	41,635	-0-	41,635
	<u>1,368,326</u>	<u>1,418,677</u>	<u>2,787,003</u>
Investment income:			
Net appreciation (decline) in fair value of investments	(1,951,423)	(1,280,734)	(3,232,157)
Interest and dividends	388,519	206,946	595,465
(Loss) on sale of investments	45,443	(28,404)	17,039
	<u>(1,517,461)</u>	<u>(1,102,192)</u>	<u>(2,619,653)</u>
Investment expense	32,409	26,446	58,855
	<u>(1,549,870)</u>	<u>(1,128,638)</u>	<u>(2,678,508)</u>
Total additions to net position	<u>(181,544)</u>	<u>290,039</u>	<u>108,495</u>
DEDUCTIONS			
Pensions paid to plan participants	1,766,724	1,439,604	3,206,328
Member transfer of service payments	27,444	-0-	27,444
Refunds of contributions	46,067	-0-	46,067
Administrative expenses	14,705	14,036	28,741
Total deductions	<u>1,854,940</u>	<u>1,453,640</u>	<u>3,308,580</u>
(Decrease) in net position during the year	(2,036,484)	(1,163,601)	(3,200,085)
Net position held in trust for pension benefits - beginning of year	<u>24,746,644</u>	<u>19,833,756</u>	<u>44,580,400</u>
Net position held in trust for pension benefits - end of year	<u>\$22,710,160</u>	<u>\$18,670,155</u>	<u>\$41,380,315</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, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mt. Vernon, Illinois (the "City"), was founded in 1819, and has a population of 14,600. The City operates under a Mayor-Council-Manager form of government. The City is an Illinois municipal corporation. The Mayor is elected at large for a four-year term. The City council is comprised of four members elected for four-year terms. The financial statements of the City are prepared in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting.

A. Reporting Entity

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

B. Joint Ventures and Related Organizations

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

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

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

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

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

The Jefferson County Development Corporation (JCDC) is a not for profit organization whose mission statement is "to lead, coordinate, develop, and implement strategies to enhance economic development through business retention, expansion, and attraction". It started official operation on May 1, 2006. There are twenty-three Board members, fifteen from industry and eight from the public or not for profit sectors. The Mayor of the City automatically holds one of the board seats, but there are no board members appointed by the City Council. The City has in the past funded between \$100,000 and \$150,000 in financial support per year for nine years, in addition to in-kind support by providing office space in its Municipal West building. The City has budgeted funding of \$100,000 to the JCDC for the year ended April 30, 2023, 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, 2022.

C. Basic Financial Statements - GASB Statement No. 34

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

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

D. Basis of Presentation

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

1. Major Funds

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

The quality of life fund accounts for "quality of life and economic development" related expenditures that are funded by general obligation bonds and a ½% home rule sales tax.

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

Motor fuel tax accounts for State motor fuel tax allotments.

Sanitation fund accounts for collecting and disposing of refuse.

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

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

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

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

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

2. Internal Service Funds

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

3. Fiduciary Funds

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

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

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

4. Noncurrent Governmental Assets/Liabilities

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

E. Basis of Accounting

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

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

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

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

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

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

F. Budget Policy and Budgetary Data

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

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

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

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

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

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

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

2. Investments - Investments are stated at fair value in the statement of net position. A net increase in fair value of investments is recognized and reported as investment gain in the financial statements for the year ended. The amount of the increase for the year ending April 30, 2022, is as follows:

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

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

3. Accounts Receivable and Taxes Receivable - Sales, taxpayer-assessed income, motor fuel, and similar taxes collected by other governments for the City are recorded as receivables when in the possession of intermediary collecting governments. Use, occupancy, and franchise taxes collected by the City are recorded as receivables when due and collectible. Property taxes are recorded as receivables, net of an allowance for uncollectible taxes, when they are levied. Unbilled services are recorded as receivables. The allowances for doubtful accounts for the Governmental Fund Types and Proprietary Fund Types are \$-0- and \$109,000, respectively.
4. Inventories - Inventory items in the modified accrual basis funds are 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, 2021.

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

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

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

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

I. Net Position

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

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

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

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

J. Pensions

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

The City implemented GASB Statement No. 68 "*Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*" ("GASB No. 68") and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*" ("GASB No. 71" and collectively "Statements") in the year ended April 30, 2016. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for pensions. In addition, state and local governments who participate in a cost-sharing multiple employer plan are now required to recognize a liability for their proportionate share of the net pension liability of that plan. It is GASB's intention that these Statements will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the City's financial obligations to current and former employees for past services rendered. In particular, these Statements require the City to recognize a net pension liability, deferred outflows of resources, and deferred inflows of resources for its participation in the Illinois

Municipal Retirement Fund and its Police and Firefighters' Pension Funds, on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statements of Net Position) and present more extensive note disclosures.

K. Accounting Estimates

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

L. Comparative Data

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

M. Change in Accounting Principle

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

N. Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases* ("GASB 87"). GASB 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the

contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021, with earlier application encouraged. Management is currently evaluating the impact of GASB 87 on the City's financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* ("GASB 91"). GASB 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement improves the comparability of financial reporting for issuers by eliminating the option to recognize a liability for a conduit debt obligation. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021, with earlier application encouraged. Management is currently evaluating the impact of GASB 91 on the City's financial statements.

Note 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Compliance with Finance Related Legal and Contractual Provisions - The City incurred no material violations of finance related legal and contractual provisions.
2. Excess of Expenditures Over Appropriations in Individual Funds - The City incurred material excess of expenditures over appropriations in individual funds. See Note 8 for a detailed listing.
3. Net Position/Fund Balance Deficit - At April 30, 2022 and 2021, the following deficit fund balances existed:

	2022	2021
General Corporate	\$(15,698,850)	\$(18,537,123)

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, 2022:

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	Banterra Bank	Health Insurance	\$ 3,052,545	\$ 3,052,545	\$ 3,052,545	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Bank Account	Banterra Bank	General Corp	19,269	19,269	19,269	-0-	-0-	-0-	-0-	-0-
Bank Account	Banterra Bank	General Corp	58,857	58,857	58,857	-0-	-0-	-0-	-0-	-0-
Bank Account	Banterra Bank	Water Fund	1,109,354	1,109,354	1,109,354	-0-	-0-	-0-	-0-	-0-
Bank Account	Banterra Bank	All Funds	31,232,288	31,262,784	31,262,784	-0-	-0-	-0-	-0-	-0-
Bank Account	Banterra Bank	Home Rule Tax	6,071,435	6,071,559	6,071,559	-0-	-0-	-0-	-0-	-0-
Bank Account	Banterra Bank	Convention And Visitors Bureau	27,401	27,401	27,401	-0-	-0-	-0-	-0-	-0-
Bank Account	Banterra Bank	CDAP	331,805	331,805	331,805	-0-	-0-	-0-	-0-	-0-
Capital Investments	Contrarian Holdings	Health Insurance	55,385	55,385	-0-	55,385	-0-	-0-	-0-	-0-
Cash on Hand	None	All Funds	1,461	1,461	-0-	-0-	-0-	-0-	-0-	1,461
Total governmental and business-type activities			<u>\$41,959,800</u>	<u>\$41,990,420</u>	<u>\$41,933,574</u>	<u>\$55,385</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$1,461</u>
Bank Account	Banterra Bank	Police Pension	\$ 646,858	\$ 658,006	\$ 658,006	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Bank Account	Peoples	Police Pension	1,375	1,375	1,375	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	American Express National Bank	Police Pension	152,790	152,790	152,790	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	J P Morgan	Police Pension	219,633	219,633	219,633	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Citi Bank NA	Police Pension	257,043	257,043	257,043	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Wells Fargo Bank NA	Police Pension	200,154	200,154	200,154	-0-	-0-	-0-	-0-	-0-
Mutual Funds	Charles Schwab	Police Pension	13,760,971	13,760,971	-0-	-0-	-0-	-0-	13,760,971	-0-
Investments	US Bank	Police Pension	397,383	397,383	397,383	-0-	-0-	-0-	-0-	-0-
Investments	Charles Schwab	Police Pension	60,538	60,538	60,538	-0-	-0-	-0-	-0-	-0-
Investments	U.S. Treasuries	Police Pension	2,209,940	2,209,940	2,209,940	-0-	-0-	-0-	-0-	-0-
Investments	Corporate Bonds	Police Pension	3,531,382	3,531,382	3,531,382	-0-	-0-	-0-	-0-	-0-
Total police pension			<u>\$21,438,067</u>	<u>\$21,449,215</u>	<u>\$ 7,688,244</u>	<u>\$ -0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$13,760,971</u>	<u>\$ -0-</u>
Bank Account	Banterra Bank	Fire Pension	\$ 1,301,145	\$ 1,301,145	\$ 1,301,145	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Pooled Investments	State of IL	Fire Pension	15,928,467	15,928,467	-0-	-0-	-0-	-0-	15,928,467	-0-
Total firefighters' pension			<u>\$17,229,612</u>	<u>\$17,229,612</u>	<u>\$ 1,301,145</u>	<u>\$ -0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$15,928,467</u>	<u>\$ -0-</u>
Total deposits with financial institutions and U.S. Treasury securities, and others			<u>\$80,627,479</u>	<u>\$80,669,247</u>	<u>\$50,922,963</u>	<u>\$55,385</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$29,689,438</u>	<u>\$1,461</u>
Reported in financial statements as:										
Cash and cash equivalents - unrestricted			\$41,276,398							
Cash and cash equivalents - restricted			628,017							
Investments			55,385							
Total governmental and business-type activities			<u>\$41,959,800</u>							
Cash and cash equivalents - police pension			\$ 708,772							
Investments - police pension			20,729,295							
Total police pension			<u>\$21,438,067</u>							
Cash and cash equivalents - firefighters' pension			\$ 1,301,145							
Investments - firefighters' pension			15,928,467							
Total firefighters' pension			<u>\$17,229,612</u>							
Total all funds			<u>\$80,627,479</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, 2022 in the general corporate fund are detailed as follows:

	Restricted Assets - Cash	Liabilities	Restricted Fund Balance
Electrical licenses	\$ 14,160	\$14,160	\$ -0-
D.U.I. fines	103,324	-0-	103,324
Police Dare donations	447	-0-	447
Park - tree donations	691	-0-	691
Park - bench donations	2,496	-0-	2,496
Federal Drug forfeitures	29,351	-0-	29,351
State/Local Drug forfeitures	49,156	-0-	49,156
Unclaimed evidence	58,857	48,725	10,132
Anti-crime FNS	50,738	-0-	50,738
Abandoned money	19,269	19,269	-0-
	<u>\$328,489</u>	<u>\$82,154</u>	<u>\$246,335</u>

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

	Restricted Fund Balance 5/1/2021	Additions	Reductions	Restricted Fund Balance 4/30/2022
Foreign fire insurance	\$ -0-			
Tax receipts		\$ 74,892		
Interest income		-0-		
Less qualifying expenditures for capital equipment			\$ 74,892	
Subtotal - foreign fire insurance				\$ -0-
2% hotel/motel tax	-0-			
Tax receipts		427,109		
Less qualifying expenditures			427,109	
Subtotal - 2% hotel/motel tax				-0-
DUI fines	100,247			
Fine receipts		3,077		
Less qualifying expenditures			-0-	
Subtotal - DUI fines				103,324
Police Dare donations	447			
Donation receipts		-0-		
Less qualifying expenditures			-0-	
Subtotal - Police Dare donations				447
Park - tree donations	691			
Donation receipts		-0-		
Less qualifying expenditures			-0-	
Subtotal - Park - tree donations				691
Park - bench donations	2,496			
Donation receipts		-0-		
Less qualifying expenditures			-0-	
Subtotal - Park - bench donations				2,496
Federal drug forfeitures	29,351			
Forfeiture receipts		-0-		
Less qualifying expenditures			-0-	
Subtotal - federal drug forfeitures				29,351
State/Local Drug forfeitures	36,411			
Forfeiture receipts		12,745		
Less qualifying expenditures			-0-	
Subtotal - State/Local Drug forfeitures				49,156
Anti-crime FNS	49,054			
Anti-crime FNS receipts		1,684		
Less anti-crime FNS expenditures			-0-	
Subtotal - Anti-crime FNS				50,738
Unclaimed evidence	109			
Unclaimed evidence receipts		21,729		
Less unclaimed evidence expenditures			11,706	
Subtotal - Unclaimed evidence				10,132
	<u>\$218,806</u>	<u>\$541,236</u>	<u>\$513,707</u>	<u>\$246,335</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 \$95,201, expenditures were \$35,686 consisting of remodeling, tablets, LUCAS devices, subscriptions, etc., tax receipts were \$74,892 and interest income was \$98, leaving an ending balance of \$134,505. Members of the board are: Doug Boczek, President; Daniel Plumb, Secretary; Kevin Sargent, Treasurer; Brad Baum, Board Member; Chris Yenne, Board Member; Casey McCommons, Board Member; and Brian Pendley, Board Member. The board carries a surety bond of \$100,000.

Restricted assets, liabilities payable from restricted assets, and restricted net position on April 30, 2022, in the enterprise fund consist of the following:

	Restricted Assets - Cash	Liabilities	Restricted Net Position Balance
Customer deposits	<u>\$299,528</u>	<u>\$299,528</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, 2022 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, 2022 fund balances are composed of the following:

	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Home Rule Tax	TIF DOWNTOWN	Other Governmental Funds	Total Governmental Funds
Nonspendable:								
Inventories	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,380	\$ 1,380
Prepaid expenses	1,885	-0-	-0-	-0-	-0-	-0-	-0-	1,885
Restricted:								
Dare donations -								
Police (General Corporate)	447	-0-	-0-	-0-	-0-	-0-	-0-	447
DUI (General Corporate)	103,324	-0-	-0-	-0-	-0-	-0-	-0-	103,324
Federal Drug Force (General Corporate)	29,351	-0-	-0-	-0-	-0-	-0-	-0-	29,351
State/Local drug (General Corporate)	49,156	-0-	-0-	-0-	-0-	-0-	-0-	49,156
Anti-crime FNS	50,738	-0-	-0-	-0-	-0-	-0-	-0-	50,738
Unclaimed evidence	10,132	-0-	-0-	-0-	-0-	-0-	-0-	10,132
Park donations	3,187	-0-	-0-	-0-	-0-	-0-	-0-	3,187
Public works	-0-	-0-	-0-	2,130,625	-0-	-0-	-0-	2,130,625
Committed:								
Community development	-0-	-0-	-0-	-0-	-0-	(67,412)	776,224	708,812
Committed revenues	-0-	9,351,720	-0-	-0-	-0-	-0-	-0-	9,351,720
Convention and Visitors Bureau Fund	-0-	-0-	-0-	-0-	-0-	-0-	150,924	150,924
Home Rule Tax Fund	-0-	-0-	-0-	-0-	7,723,568	-0-	-0-	7,723,568
Capital, infrastructure, and related debt service expenditures								
- Taxes	-0-	-0-	2,112,732	-0-	-0-	-0-	-0-	2,112,732
Pension Sales Tax	-0-	-0-	-0-	-0-	-0-	-0-	956,156	956,156
Unassigned, reported in:								
General Corporate	9,958,373	-0-	-0-	-0-	-0-	-0-	-0-	9,958,373
Special Revenue Funds	-0-	-0-	-0-	-0-	-0-	-0-	11,184	11,184
Total fund balances	<u>\$10,206,593</u>	<u>\$9,351,720</u>	<u>\$2,112,732</u>	<u>\$2,130,625</u>	<u>\$7,723,568</u>	<u>\$(67,412)</u>	<u>\$1,895,868</u>	<u>\$33,353,694</u>

Note 4. PROPERTY AND EQUIPMENT

Capital asset activity for the year ended April 30, 2022, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Non-depreciable assets:				
Land	\$ 6,050,257	\$ 56,318	\$10,560	\$ 6,096,015
Total non-depreciable assets	<u>6,050,257</u>	<u>56,318</u>	<u>10,560</u>	<u>6,096,015</u>
Depreciable assets:				
Infrastructure	62,123,250	2,123,851	-0-	64,247,101
Buildings	6,544,086	-0-	-0-	6,544,086
Machinery and equipment	4,638,496	874,356	-0-	5,512,852
Furniture and fixtures	1,290,794	-0-	-0-	1,290,794
Vehicles	6,938,040	264,664	-0-	7,202,704
Total depreciable assets	<u>81,534,666</u>	<u>3,262,871</u>	<u>-0-</u>	<u>84,797,537</u>
Total capital assets	<u>87,584,923</u>	<u>3,319,189</u>	<u>10,560</u>	<u>90,893,552</u>
Accumulated depreciation:				
Infrastructure	22,144,280	2,563,758	-0-	24,708,038
Buildings	3,429,633	193,111	-0-	3,622,744
Machinery and equipment	3,157,771	301,068	-0-	3,458,839
Furniture and fixtures	1,198,866	30,509	-0-	1,229,375
Vehicles	5,006,517	460,366	-0-	5,466,883
Total accumulated depreciation	<u>34,937,067</u>	<u>3,548,812</u>	<u>-0-</u>	<u>38,485,879</u>
Governmental activities capital assets, net	<u>\$52,647,856</u>	<u>\$ (229,623)</u>	<u>\$10,560</u>	<u>\$52,407,673</u>
Business-type activities:				
Non-depreciable assets:				
Land	\$ 150,379	\$ -0-	\$ -0-	\$ 150,379
Total non-depreciable assets	<u>150,379</u>	<u>-0-</u>	<u>-0-</u>	<u>150,379</u>
Depreciable assets:				
Buildings and structures	12,456,385	-0-	-0-	12,456,385
Equipment	1,751,737	555,119	-0-	2,306,856
Water and sanitary sewer lines	46,723,193	4,661,974	-0-	51,385,167
Total depreciable assets	<u>60,931,315</u>	<u>5,217,093</u>	<u>-0-</u>	<u>66,148,408</u>
Total capital assets	<u>61,081,694</u>	<u>5,217,093</u>	<u>-0-</u>	<u>66,298,787</u>
Accumulated depreciation:				
Buildings and structures	10,375,296	233,082	-0-	10,608,378
Equipment	1,599,905	169,495	-0-	1,769,400
Water and sanitary sewer lines	20,403,691	977,974	-0-	21,381,665
Total accumulated depreciation	<u>32,378,892</u>	<u>1,380,551</u>	<u>-0-</u>	<u>33,759,443</u>
Business-type capital assets, net	<u>\$28,702,802</u>	<u>\$3,836,542</u>	<u>\$ -0-</u>	<u>\$32,539,344</u>

Depreciation expense is charged to functions as follows:

Governmental Activities		Business-Type Activities	
Public safety	\$ 541,094	Water Fund	\$ 649,534
Public works	2,197,756	Sewer Fund	731,017
Culture and recreation	92,790		<u>\$1,380,551</u>
General government	717,172		
	<u>\$3,548,812</u>		

Note 5. LONG-TERM LIABILITIES

A summary of long-term liability activity is for the year ended April 30, 2022, as follows. Additional detailed information is available on the following pages.

	Issue Amount	Maturity Date	Interest Rate	Beginning Balance	Additions	Retirements	Transfers	Ending Balance	Amount Due Within One Year
Governmental activities:									
General obligation bonds 2020 (\$316,176 issuance costs and \$3,766,015 bond premium)	\$	-0- 12/15/32	4.00%	\$21,439,462	\$	-0- \$1,258,670	\$-0-	\$20,180,792	\$1,274,172
General obligation bonds 2020 (\$158,461 issuance costs and \$1,812,103 bond premium)		-0- 12/15/40	4.00%	10,745,000	-0-	245,000	-0-	10,500,000	638,588
Line of credit dated 12/22/19 - unsecured - \$6,000,000 limit	6,000,000	11/20/21	1.75%	-0-	-0-	-0-	-0-	-0-	-0-
Note dated 12/30/16 - secured by 1% municipal sales tax - annual payment \$147,497 7 year	890,317	12/30/23	3.75%	410,859	-0-	131,875	-0-	278,984	136,895
Note dated 01/05/17 - unsecured - annual payment \$34,397 year	461,000	01/05/24	2.78%	371,009	-0-	24,083	-0-	346,926	24,594
Note dated 12/08/15 - secured by equipment - annual payment \$128,125 5 year	608,000	12/08/20	1.77%	-0-	-0-	-0-	-0-	-0-	-0-
Compensated absences				310,992	-0-	62,945	-0-	248,047	-0-
Net pension obligation				21,046,057	6,750,986	166,833	-0-	27,630,210	-0-
Net other post employment benefits obligation				6,479,504	-0-	1,099,517	-0-	5,379,987	-0-
				<u>60,802,883</u>	<u>6,750,986</u>	<u>2,988,923</u>	<u>-0-</u>	<u>64,564,946</u>	<u>2,074,249</u>
Business-type activities:									
General obligation bonds 2020 (\$74,215 issuance costs and \$894,558 bond premium)	5,085,538	12/15/32	4.00%	5,085,538	-0-	296,330	-0-	4,789,208	302,240
Illinois E.P.A. note payable dated 11/21/2020	194,902	11/21/40	1.38%	190,391	-0-	9,100	-0-	181,291	9,227
Illinois E.P.A. note payable dated 12/31/2021	1,741,225	12/30/41	1.01%	-0-	1,741,225	-0-	-0-	1,741,225	72,357
Illinois E.P.A. note payable dated 11/21/2020	816,240	12/30/41	1.01%	-0-	816,240	-0-	-0-	816,240	33,918
Note dated 12/30/16 - secured by 1% municipal sales tax - annual payment \$38,200 7 year	230,583	12/30/23	3.75%	106,409	-0-	34,154	-0-	72,255	35,470
Note dated 08/07/18 - secured by 1% Home Rule Sales Tax	2,700,000	08/07/23	2.79%	1,664,358	-0-	539,229	-0-	1,125,129	554,646
Illinois E.P.A. note payable	652,277	01/01/25	2.5%	179,688	-0-	38,213	-0-	141,475	39,171
Compensated absences				67,965	1,699	-0-	-0-	69,664	-0-
Net pension obligation				(321,479)	-0-	959,235	-0-	(1,280,714)	-0-
Net other post employment benefits obligation				1,113,072	-0-	188,880	-0-	924,192	-0-
				<u>8,085,942</u>	<u>2,559,164</u>	<u>2,065,141</u>	<u>-0-</u>	<u>8,579,965</u>	<u>1,047,029</u>
Totals				<u>\$68,888,825</u>	<u>\$9,310,150</u>	<u>\$5,054,064</u>	<u>\$-0-</u>	<u>\$73,144,911</u>	<u>\$3,121,278</u>

On April 30, 2022 the City of Mt. Vernon, Illinois had an open line of credit at a bank in the amount of \$6,000,000. On April 30, 2022, the City had drawn \$-0- on that line of credit leaving an undrawn amount of \$6,000,000.

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

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

Principal and interest payments in subsequent years:

Year Ending April 30,	Notes and Mortgages			General Obligation Bonds			Totals		
	Principal	Scheduled Interest	Total	Principal	Scheduled Interest	Total	Principal	Scheduled Interest	Total
2023	\$ 906,278	\$ 73,711	\$ 979,989	\$ 2,215,000	\$ 1,405,800	\$ 3,620,800	\$ 3,121,278	\$ 1,479,511	\$ 4,600,789
2024	1,238,264	52,209	1,290,473	2,305,001	1,317,200	3,622,201	3,543,265	1,369,409	4,912,674
2025	168,903	26,542	195,445	2,400,000	1,225,000	3,625,000	2,568,903	1,251,542	3,820,445
2026	150,035	24,174	174,209	2,490,000	1,128,998	3,618,998	2,640,035	1,153,172	3,793,207
2027	130,410	22,566	152,976	2,594,999	1,029,400	3,624,399	2,725,409	1,051,966	3,777,375
2028	131,769	21,206	152,975	2,695,000	925,598	3,620,598	2,826,769	946,804	3,773,573
2029	133,143	19,832	152,975	2,800,001	817,800	3,617,801	2,933,144	837,632	3,770,776
2030	134,532	18,444	152,976	2,915,000	705,802	3,620,802	3,049,532	724,246	3,773,778
2031	135,935	17,041	152,976	3,030,000	589,200	3,619,200	3,165,935	606,241	3,772,176
2032	137,353	15,623	152,976	3,155,000	468,000	3,623,000	3,292,353	483,623	3,775,976
2033	138,786	14,190	152,976	3,274,999	341,802	3,616,801	3,413,785	355,992	3,769,777
2034	140,234	12,743	152,977	615,000	210,800	825,800	755,234	223,543	978,777
2035	141,696	11,280	152,976	640,000	186,200	826,200	781,696	197,480	979,176
2036	143,175	9,801	152,976	660,000	167,000	827,000	803,175	176,801	979,976
2037	144,669	8,306	152,975	680,000	147,200	827,200	824,669	155,506	980,175
2038	146,179	6,797	152,976	705,000	120,000	825,000	851,179	126,797	977,976
2039	147,705	5,272	152,977	735,000	91,800	826,800	882,705	97,072	979,777
2040	143,381	3,737	147,118	765,000	62,400	827,400	908,381	66,137	974,518
2041	138,981	2,901	141,882	795,000	31,800	826,800	933,981	34,701	968,682
2042	152,097	286	152,383	-0-	-0-	-0-	152,097	286	152,383
	<u>\$4,703,525</u>	<u>\$366,661</u>	<u>\$5,070,186</u>	<u>\$35,470,000</u>	<u>\$10,971,800</u>	<u>\$46,441,800</u>	<u>\$40,173,525</u>	<u>\$11,338,461</u>	<u>\$51,511,986</u>

Operating Leases

On June 6, 2019, the City also entered into a non-cancellable operating lease agreement with GFI Digital, Inc. for five copiers at a monthly payment of \$482 for sixty months. This was financed through US Bank Equipment Finance. At the end of the initial term, this agreement shall renew on a month-to-month basis under the same terms unless the City sends written notification thirty days prior to the end of the term. The total costs paid during the year ended April 30, 2022 for this lease was \$5,735.

On May 19, 2020, the City entered into a non-cancellable operating lease agreement with Great America Financial Services for one Folder/Inserter/Mail Opener at a monthly payment of \$272 for sixty months. At the end of the initial term, this agreement shall renew on a month-to-month basis under the same terms unless the City sends written notification thirty days prior to the end of the term. The total costs paid during the year ended April 30, 2022 for this lease was \$3,262.

On June 3, 2019, the City entered into a master equity lease agreement with Enterprise Fleet Management for rental vehicles with a lease term of forty eight months. The term of the agreement for each vehicle begins on the date such vehicle is delivered to Lessee (delivery date) and continues for the lease term of 48 months. The City was leasing 43 vehicles at the end of the prior year, exchanged or traded 10 vehicles and added 3 additional vehicles for a total of 46 vehicles at the end of the current audit year. The total costs paid during the year ended April 30, 2022 for this lease was \$248,638.

The future minimum lease payments as of April 30, 2022 for the following years of the lease term are:

	<u>4/30/2023</u>	<u>4/30/2024</u>	<u>4/30/2025</u>	<u>4/30/2026</u>	<u>4/30/2027</u>	<u>Total</u>
US Bank Equipment Finance	\$ 5,783	\$ 5,782	\$ 964	\$ -0-	\$-0-	\$ 12,529
Great America Financial Services	3,262	3,262	3,262	-0-	-0-	9,786
Enterprise Fleet Management	290,231	187,672	69,855	52,674	-0-	600,432

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, 2022, the City reported the following aggregate amounts related to these pension plans:

<u>Statement of Net Position and Statement of Activities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>OPEB Related Amounts</u>	<u>Amounts per Statement of Net Position and Statement of Activities</u>
Net pension liabilities	\$27,849,037	\$ -0-	\$27,849,037	\$ -0-	\$ 27,849,037
Net pension assets	(218,827)	(1,280,714)	(1,499,541)	-0-	(1,499,541)
Deferred (inflows) of resources (not including OPEB)	(48,869)	(1,258,181)	(1,307,050)	(1,951,932)	(3,258,982)
Pension (expense) income	860,028	483,144	1,343,172	-0-	1,343,172

Pension Trust FundsPlan DescriptionsPolice 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, 2022, was \$2,509,899 out of a total payroll of \$9,377,785. At April 30, 2022, 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>40</u>
Current employees	
Vested	19
Nonvested	<u>21</u>
	<u>40</u>
Total	<u>80</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>Long-Term Expected Rate of Return</u>	<u>Long-Term Inflation Expectation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
US Large	6.65%	2.50%	4.15%	23.00%
US Small	7.04%	2.50%	4.54%	5.00%
International Developed	7.14%	2.50%	4.64%	18.00%
International Developed Small	2.25%	2.50%	-0.25%	5.00%
Emerging Markets	7.81%	2.50%	5.31%	7.00%
Private Equity (Direct)	9.65%	2.50%	7.15%	7.00%
Bank Loans	4.98%	2.50%	2.48%	3.00%
High Yield Corp. Credit	4.98%	2.50%	2.48%	3.00%
Emerging Market Debt	5.32%	2.50%	2.82%	3.00%
Private Credit	6.87%	2.50%	4.37%	5.00%
US TIPS	2.38%	2.50%	-0.12%	3.00%
Real Estate/Infrastructure	6.50%	2.50%	4.00%	8.00%
Cash	2.23%	2.50%	-0.27%	1.00%
Short-Term Gov't/Credit	3.23%	2.50%	0.73%	3.00%
US Treasury	1.90%	2.50%	-0.60%	3.00%
Core Plus Fixed Income	3.23%	2.50%	0.73%	3.00%

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, 2022, are listed in the table above.

Investment Valuations

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

Discount Rate

The discount rate used to measure the total pension liability was 5.68%. 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 3.21% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2022, to arrive at a discount rate of 5.68% used to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 5.68% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower 4.68% or 1 percentage point higher 6.68% than the current rate:

	1% Decrease (4.68%)	Current Discount Rate (5.68%)	1% Increase (6.68%)
Net pension liability	\$23,840,146	\$17,717,991	\$ 12,769,137

The net position at April 30, 2022, consisted of the following components:

Reserved for employee contributions	\$ 11,776,140
Reserved for retirement benefits	28,652,011
Unreserved net position (deficit)	<u>(17,717,991)</u>
Net position	<u>\$ 22,710,160</u>

The components of the net pension liability at April 30, 2022 are as follows:

Total pension liability	\$ 40,428,151
Plan's fiduciary net position	<u>22,710,160</u>
Net pension liability	<u>\$ 17,717,991</u>

Plan fiduciary net position as a percentage of total pension liability	56.17%
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Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2022, the City recognized pension expense for police pension of \$1,660,830. At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total Deferred Amounts
Differences between expected and actual experience	\$ 131,065	\$ (927,119)	\$ (796,054)
Assumption changes	5,742,177	(1,874,336)	3,867,841
Net difference between projected and actual earnings on pension plan investments	3,436,945	(2,803,492)	633,453
Total	<u>\$9,310,187</u>	<u>\$ (5,604,947)</u>	<u>\$3,705,240</u>

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

Year Ended April 30	
2023	\$ 802,357
2024	732,509
2025	278,984
2026	1,066,769
2027	349,216
Thereafter	475,405
	<u>\$3,705,240</u>

Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (7.45%) (loss). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Firefighters' Pension

Fire Department sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are mandated by Illinois State Statutes (Chapter 108½ - Pensions - Article 4) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The City's payroll for employees covered by the Firefighters' Pension Plan for the year ended April 30, 2022, was \$2,008,609 out of a total payroll of \$9,377,785. At April 30, 2022, 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	22
Nonvested	5
	<u>27</u>
Total	<u>64</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>Long-Term Expected Rate of Return</u>	<u>Long-Term Inflation Expectation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
US Equity	7.70%	2.50%	5.20%	31.00%
Developed Market Equity (Non-US)	7.60%	2.50%	5.10%	16.00%
Emerging Market Equity	8.00%	2.50%	5.50%	8.00%
Private Equity	11.10%	2.50%	8.60%	5.00%
Public Credit	4.30%	2.50%	1.80%	3.00%
Private Credit	9.50%	2.50%	7.00%	5.00%
Cash Equivalents	1.90%	2.50%	-0.60%	0.00%
Core Investment Grade Bonds	4.10%	2.50%	1.60%	15.00%
Long-Term Treasuries	3.80%	2.50%	1.30%	3.00%
TIPS	3.30%	2.50%	0.80%	4.00%
Real Estate	7.40%	2.50%	4.90%	5.00%
Infrastructure	7.60%	2.50%	5.10%	5.00%

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, 2022, 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 6.41%. 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 3.21% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2022, to arrive at a discount rate of 6.41% 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 6.41% 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 5.41% or 1 percentage point higher 7.41% than the current rate:

	1% Decrease (5.41%)	Current Discount Rate (6.41%)	1% Increase (7.41%)
Net pension liability	\$18,774,883	\$13,967,559	\$ 10,048,373

The net position at April 30, 2022, consisted of the following components:

Reserved for employee contributions	\$ 14,058,995
Reserved for retirement benefits	18,578,719
Unreserved net position (deficit)	<u>(18,670,155)</u>
Net position	<u>\$ 13,967,559</u>

The components of the net pension liability at April 30, 2022, are as follows:

Total pension liability	\$ 32,637,714
Plan's fiduciary net position	<u>18,670,155</u>
Net pension liability	<u>\$ 13,967,559</u>

Plan fiduciary net position as a percentage of
total pension liability 57.20%

Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2022, the City recognized pension expense for fire pension of \$1,288,760. At April 30, 2022, 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>	<u>Total Deferred Amounts</u>
Differences between expected and actual experience	\$ 211,430	\$(1,388,501)	\$(1,177,071)
Assumption changes	1,882,380	(955,147)	927,233
Net difference between projected and actual earnings on pension plan investments	<u>3,264,814</u>	<u>(2,785,091)</u>	<u>479,723</u>
Total	<u>\$5,358,624</u>	<u>\$(5,128,739)</u>	<u>\$ 229,885</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:

<u>Year Ended April 30</u>	
2023	\$ 286,218
2024	69,582
2025	(567,965)
2026	442,310
2027	(260)
Thereafter	-0-
	<u>\$ 229,885</u>

Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (7.45%) (loss). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Significant Investments

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

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Ishares Core S & P 500 ETF	\$5,826,233	\$ -0-
Vanguard FTSE Developed Markets ETF	3,295,027	-0-
Vanguard Russell 2000 ETF	2,928,595	-0-
Illinois Pooled Investment	-0-	15,928,467

Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Police Pension			
Balances at May 1, 2021	\$35,035,876	\$24,746,643	\$10,289,233
Changes for the year:			
Service cost	595,548	-0-	595,548
Interest	2,242,312	-0-	2,242,312
Actuarial experience	(864,054)	-0-	(864,054)
Assumption changes	5,258,704	-0-	5,258,704
Contributions - employer	-0-	1,077,072	(1,077,072)
Contributions - members	-0-	249,619	(249,619)
Contributions - other	-0-	41,635	(41,635)
Net investment income	-0-	(1,549,869)	1,549,869
Benefit payments and refunds	(1,840,235)	(1,840,235)	-0-
Administrative expense	-0-	(14,705)	14,705
Net changes	5,392,275	(2,036,483)	7,428,758
Balances at April 30, 2022	\$40,428,151	\$22,710,160	\$17,717,991
Firefighters' Pension			
Balances beginning at May 1, 2021	\$31,581,218	\$19,825,860	\$11,755,358
Changes for the year:			
Service cost	515,298	-0-	515,298
Interest	1,987,832	-0-	1,987,832
Actuarial experience	(1,428,318)	-0-	(1,428,318)
Assumption changes	1,421,288	-0-	1,421,288
Contributions - employer	-0-	1,230,511	(1,230,511)
Contributions - members	-0-	188,166	(188,166)
Net investment income	-0-	(1,128,638)	1,128,638
Benefit payments and refunds	(1,439,604)	(1,439,604)	-0-
Administrative expense	-0-	(14,036)	14,036
Prior period audit adjustment	-0-	7,896	(7,896)
Net changes	1,056,496	(1,155,705)	2,212,201
Balances ending at April 30, 2022	\$32,637,714	\$18,670,155	\$13,967,559

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 were 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 Fiduciary Net Position
Fiduciary Funds
As of April 30, 2022

	Police Pension Fund	Firefighters' Pension Fund	Total Fiduciary Funds
Assets			
Cash and short-term investments	\$ 708,772	\$ 1,301,145	\$ 2,009,917
Investments, at fair value:			
U.S. Government and agency obligations	6,138,703	-0-	6,138,703
Mutual funds	13,760,510	15,928,467	29,688,977
Annuities	461	-0-	461
Certificate of deposit	829,621	-0-	829,621
Total investments	<u>20,729,295</u>	<u>15,928,467</u>	<u>36,657,762</u>
Receivables:			
Accounts	140	-0-	140
Property and replacement taxes, net	1,196,174	1,275,451	2,471,625
Due to other funds	191,528	286,411	477,939
Interest and dividends	34,535	-0-	34,535
Total receivables	<u>1,422,377</u>	<u>1,561,862</u>	<u>2,984,239</u>
Total assets	<u>22,860,444</u>	<u>18,791,474</u>	<u>41,651,918</u>
Liabilities			
Payables:			
Accounts	132	371	503
Benefits payable	149,110	120,009	269,119
Due to other funds	1,042	939	1,981
Total payables	<u>150,284</u>	<u>121,319</u>	<u>271,603</u>
Total liabilities	<u>150,284</u>	<u>121,319</u>	<u>271,603</u>
Net position - held in trust for pension benefits	<u>\$22,710,160</u>	<u>\$18,670,155</u>	<u>\$41,380,315</u>

Statement of Changes in Net Position Available for Benefits
Year Ended April 30, 2022

	Police Pension Fund	Firefighters' Pension Fund	Total Fiduciary Funds
ADDITIONS			
Contributions			
Employer, property taxes	\$ 892,952	\$ 952,120	\$ 1,845,072
Employer, other funding	184,120	278,391	462,511
Employees	249,619	188,166	437,785
Member transfer contributions	41,635	-0-	41,635
	<u>1,368,326</u>	<u>1,418,677</u>	<u>2,787,003</u>
Investment income			
Net appreciation (decline) in fair value of investments	(1,951,423)	(1,280,734)	(3,232,157)
Interest and dividends	388,519	206,946	595,465
Gain (loss) on sale of investments	45,443	(28,404)	17,039
	<u>(1,517,461)</u>	<u>(1,102,192)</u>	<u>(2,619,653)</u>
Investment expense	32,409	26,446	58,855
Net investment income	<u>(1,549,870)</u>	<u>(1,128,638)</u>	<u>(2,678,508)</u>
Total additions to net position	<u>(181,544)</u>	<u>290,039</u>	<u>108,495</u>
DEDUCTIONS			
Pensions paid to plan participants	1,766,724	1,439,604	3,206,328
Member transfer of service payments	27,444	-0-	27,444
Refunds of contributions	46,067	-0-	46,067
Administrative expenses	14,705	14,036	28,741
Total deductions	<u>1,854,940</u>	<u>1,453,640</u>	<u>3,308,580</u>
Decrease in net position during the year	<u>(2,036,484)</u>	<u>(1,163,601)</u>	<u>(3,200,085)</u>
Net position held in trust for pension benefits - beginning of year	<u>24,746,644</u>	<u>19,833,756</u>	<u>44,580,400</u>
Net position held in trust for pension benefits - end of year	<u>\$22,710,160</u>	<u>\$18,670,155</u>	<u>\$41,380,315</u>

I.M.R.F.

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

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

Funding Policy - As set by statute, your employer regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2021 was 12.19%. The employer annual required contribution rate for calendar year 2020 was 13.53%. 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, 2021, the employer's actual contributions for pension cost for the calendar year 2021 were \$455,161. Its required contribution for calendar year 2020 was \$522,211.

The required contribution for 2021 was determined as part of the December 31, 2019 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2019, included (a) 7.25% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.25% a year, attributable to inflation, (c) additional projected salary increases ranging from 3.35% to 14.25% 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, 2021, is being amortized as a level percentage of projected payroll on a closed 22-year period.

Funded Status and Funding Progress - As of December 31, 2021, the most recent actuarial valuation date, the regular plan was 104.64% funded. The actuarial accrued liability for benefits was \$8,909,191 and the actuarial value of assets was \$9,322,409, resulting in an underfunded actuarial accrued liability (UAAL) of \$(413,218) overfunded. The covered payroll for calendar year 2021 (annual payroll of active employees covered by the plan) was \$3,733,890 and the ratio of the UAAL to the covered payroll was 0%.

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

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll Closed
Asset Valuation Method	5 Year Smoothed Market, 20% Corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, an I.M.R.F. specific mortality table was used with fully generational projection scale MP-2020 (base year 2015). The I.M.R.F. specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current I.M.R.F. experience. For disabled retirees, an I.M.R.F. specific mortality table was used with fully generational projection scale MP-2020 (base year 2015). The I.M.R.F. specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that was applied for non-disabled lives. For active members, an I.M.R.F. specific mortality table was used with fully generational projection scale MP-2020 (base year 2015). The I.M.R.F. specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current I.M.R.F. experience.

Other Information:

Notes	There were no benefit changes during the year.
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A detailed description of the actuarial assumptions and methods can be found in the December 31, 2021 Illinois Municipal Retirement Fund annual actuarial valuation report.

Discount Rate Sensitivity

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

	<u>1% Decrease 6.25%</u>	<u>Current Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
Net pension liability (asset)	\$(1,741,613)	\$(5,336,054)	\$(8,261,890)

The net position at April 30, 2022, consisted of the following components:

Reserved for employee contributions	\$ 3,083,808
Reserved for employer contributions	11,273,931
Reserved for retirement benefits	25,548,254
Miscellaneous adjustment	(50,573)
Net position	<u>\$39,855,420</u>

The components of the net pension liability at April 30, 2022, are as follows:

Total pension liability	\$34,519,366
Plan's fiduciary net position	<u>39,855,420</u>
Net pension liability (asset)	<u>\$(5,336,054)</u>

Plan fiduciary net position as a percentage of total pension liability	115.46%
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Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2022, the City recognized pension income for I.M.R.F. of \$1,530,017. At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to I.M.R.F. from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 20,398	\$ 25,437	\$ (5,039)
Changes in assumptions	-0-	53,260	(53,260)
Net difference between projected and actual earnings on pension plan investments	<u>899,791</u>	<u>6,083,666</u>	<u>(5,183,875)</u>
Total	<u>\$920,189</u>	<u>\$6,162,363</u>	<u>\$(5,242,174)</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		
	2022	\$ (1,173,032)	
	2023	(2,036,852)	
	2024	(1,273,829)	
	2025	(758,461)	
	2026	-0-	
		<u>\$ (5,242,174)</u>	
		Increase (Decrease)	
Illinois Municipal Retirement Fund	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2020	<u>\$34,231,442</u>	<u>\$35,551,456</u>	<u>\$ (1,320,014)</u>
Changes for the year:			
Service cost	371,231	-0-	371,231
Interest on the total pension liability	2,405,903	-0-	2,405,903
Differences between the expected and actual experience in the measurement of the pension liability	(24,821)	-0-	(24,821)
Contributions - employer	-0-	455,161	(455,161)
Contributions - employee	-0-	168,025	(168,025)
Net investment income	-0-	6,297,519	(6,297,519)
Benefits payments, including refunds of employee contributions	(2,464,389)	(2,464,389)	-0-
Other changes (net transfer)	-0-	(152,352)	152,352
Net changes	<u>287,924</u>	<u>4,303,964</u>	<u>(4,016,040)</u>
Balances at December 31, 2021	<u>\$34,519,366</u>	<u>\$39,855,420</u>	<u>\$ (5,336,054)</u>

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

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

Trend Information

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

Post-Retirement Health Care Benefits

Plan Description - The City provides post-retirement benefits for certain employees for current and future health insurance benefit expenses through a single-employer defined benefit plan. An actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made April 30, 2022.

The contribution requirements of plan members and the City are established and may be amended by the City. The actuarial valuation used the entry age method. The City currently funds the plan on a "pay as you go basis". The Plan is a single-employer defined benefit healthcare plan administered by the City. No assets are accumulated in a trust for the Plan. The City does not issue a separate report related to post-retirement healthcare benefits. The OPEB liability is mostly liquidated by the General, Water, and Sewer Funds. Current year contributions were \$619,617, \$451,656 explicit payments and \$167,961 are implicit payments.

At April 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	81
Inactive employees entitled to but not yet receiving benefits	-0-
Active employees	<u>140</u>
Total	<u>221</u>

Net OPEB Liability

The City's net OPEB liability was measured as of April 30, 2022, and was determined by an actuarial valuation as of that date under GASB Statement No. 75.

Actuarial Assumptions and Other Inputs

The net OPEB liability in the April 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Salary increase	2.75% including inflation
Discount rate	3.21%
Healthcare cost trend rates	6.0% for 4/30/22 decreasing to an ultimate rate of 5.0% for 2027 and later years

The discount rate was based on the 20 year bond GO index at the end of the fiscal year. The rate for the prior fiscal year was 2.27%.

Mortality rates were based on the RP-2014 Healthy Annuitant mortality table for males and females, as appropriate, with generational projection based on Scale MP-2020.

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

Changes in the Net OPEB Liability

	Net OPEB Liability
Balances at April 30, 2021	\$ 7,592,575
Changes for the year:	
Service cost	165,297
Interest	165,319
Differences between expected and actual experience	-0-
Changes of assumptions	(999,395)
Benefit payments	(619,617)
Net changes	<u>(1,288,396)</u>
Balances at April 30, 2022	<u>\$ 6,304,179</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.27% in 2021 to 3.21% in 2022.

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 3.21%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% point lower (2.21%) or 1% point higher (4.21%) than the current discount rate:

	1% Decrease (2.21%)	Current Discount Rate (3.21%)	1% Increase (4.21%)
Employer's Net OPEB liability	\$6,755,929	\$6,304,179	\$5,901,696

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

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

	1% Decrease Varies	Current Discount Rate Varies	1% Increase Varies
Employer's Net OPEB liability	\$5,736,661	\$6,304,179	\$6,959,174

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

For the year ended April 30, 2022, the City recognized OPEB expense of \$87,595. Deferred outflows and inflows of resources related to OPEB are from the following sources:

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Inflows</u>
Differences between expected and actual experience	\$ -0-	\$(2,040,813)	\$(2,040,813)
Changes of assumptions	1,007,840	(918,959)	88,881
Total deferred to be recognized in future expense	<u>\$1,007,840</u>	<u>\$(2,959,772)</u>	<u>\$(1,951,932)</u>

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

For The Years Ending <u>April 30</u>	
2023	\$ (243,021)
2024	(243,021)
2025	(243,021)
2026	(243,021)
2027	(249,562)
Thereafter	(730,286)
Total	<u>\$(1,951,932)</u>

Related Party Investments

During the year ended April 30, 2022, none of the above mentioned pension funds held securities issued by the City or other related parties.

Note 7. COMMITMENTS

At April 30, 2022, the City had accepted bids on projects, contracts, or purchases which were not completed at that date. Major commitments were as follows:

General Corporate Capital Fund	
Ferrara fire truck	\$905,000
Quality of Life Fund	
Police station (bids approved February 22 and March 21, 2022 council meetings)	\$6,568,028
Downtown TIF	
Downtown TIF Projects	\$400,528
TIF Industrial Park	
Brown Electric - Traffic signal at South 45 th Street and Veterans Memorial	\$331,735
Home Rule Tax	
Heck's Excavating - Property demolition	\$56,400
Shores Builders (South 44 th Street and Mateer Drive)	\$1,674,959
Sanitation	
CWI 5/1/22 - 4/30/27	\$6,497,010
Water	
Round Table Design Water Main Project	\$10,000
Sewer	
EMC 5/1/22 - 4/30/23	\$144,000
EMC 5/1/22 - 4/30/23 (assumed minimum increase of 1.5%)	\$1,987,470
Haier Plumbing & Heating - Lift station #14 replacement	\$739,126
Haier Plumbing & Heating - Midtown Sanitary Sewer Project	\$1,064,990
Haier Plumbing & Heating - Mt Vernon IEAP funded sanitary sewer improvements	\$3,654,520
All Funds	
Audit of Comprehensive Annual Report 2022	\$88,600

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	Reg salaries & wages	16,800	0	16,800	19,200	(2,400)
	Imrf benefits	0	0	0	768	(768)
	Fica benefits	1,042	0	1,042	1,648	(606)
	Medicare benefits	244	0	244	385	(141)
	Communications - internet	1,440	0	1,440	2,394	(954)
City Manager	Reg salaries & wages	223,139	0	223,139	223,866	(726)
	Unemployment benefits	535	0	535	795	(260)
	Professional/consulting	500	0	500	1,172	(672)
	Publishing	35	0	35	174	(139)
	Travel/conf/training	5,401	0	5,401	6,206	(805)
	Communications - telephone	1,633	0	1,633	1,660	(27)
	Motor fuels & lubricants	683	0	683	1,349	(666)
	Maint/repair bldg/structur	300	0	300	390	(90)
	Ins - gen liability	2,271	0	2,271	2,498	(227)
	License & taxes	0	0	0	56	(56)
City Clerk	Unemployment benefits	389	0	389	599	(210)
	Communications - postage	700	0	700	834	(134)
	Office supplies	1,823	0	1,823	1,963	(140)
	Oper supplies/materials	0	0	0	5	(5)
	Insurance gen liability	332	0	332	489	(157)
	Licenses & taxes	0	0	0	54	(54)
	Copier leases	1,072	0	1,072	1,147	(75)
City Treasurer	Communications - telephone	0	0	0	147	(147)
Human Resources Division	Regular salaries & wages	114,101	0	114,101	114,409	(308)
	Unemployment compensatio	356	0	356	655	(299)
	Professional/consulting	127	0	127	366	(239)
	Publishing	150	0	150	497	(347)
	Communications/telephone	424	0	424	697	(273)
	Communications postage	100	0	100	267	(167)
	Office supplies	1,345	0	1,345	2,160	(815)
	Motor fuels & lubricants	488	0	488	715	(227)
	Non-capital equipment	0	0	0	660	(660)
Park	Health ins. benefits	75,032	0	75,032	82,499	(7,467)
	Unemployment benefits	1,426	0	1,426	2,090	(664)
	Professional/consulting	1,220	0	1,220	1,571	(351)
	Outside cleaning	3,750	0	3,750	4,968	(1,218)
	Publishing	50	0	50	358	(308)
	Communications - telephone	1,088	0	1,088	1,264	(176)
	Communications - internet	2,532	0	2,532	2,628	(96)
	Pager/cell	864	0	864	940	(76)
	Office supplies	1,200	0	1,200	1,733	(533)
	Oper supplies & materials	32,250	0	32,250	33,150	(900)
	Motor fuels & lubricants	12,991	0	12,991	14,862	(1,871)
	Maint/repair equipment	6,900	0	6,900	7,585	(685)
	Maint/repair othr improvnm	4,250	0	4,250	4,324	(74)
	Maint/repair vehicle parts	2,700	0	2,700	2,766	(66)
	Advertising/promotions	0	0	0	50	(50)
Finance Administration	Reg salaries & wages	188,056	0	188,056	198,546	(10,490)
	Fica benefits	11,877	0	11,877	12,490	(613)
	Medicare benefits	2,777	0	2,777	2,921	(144)
	Unemployment benefits	713	0	713	1,117	(404)
	Communications - telephone	1,380	0	1,380	1,697	(317)
	Communications cell phone	540	0	540	659	(119)
Engineering	Reg wages & salaries	224,423	0	224,423	236,843	(12,420)
	Unemployment benefits	1,247	0	1,247	1,410	(163)
	Outside cleaning	0	0	0	20	(20)
	Printing	900	0	900	1,036	(136)
	Publishing	200	0	200	528	(328)
	Demolition	0	0	0	29	(29)
	Communications - telephone	1,608	0	1,608	1,678	(70)
	Communications - internet	1,440	0	1,440	1,456	(16)
	Motor fuels & lubricants	5,612	0	5,612	5,931	(319)
	Maint/repair equipment	4,700	0	4,700	7,185	(2,485)
	Subscriptions & membership	1,435	0	1,435	1,728	(293)

(Continued)

(Continued)

Fund / Department	Object Classification	Original	Budget	Amended	Actual	Variance	
		Budget	Amendment	Budget			
Police	Overtime	214,845	0	214,845	224,347	(9,502)	
	Unemployment benefits	9,801	0	9,801	14,663	(4,862)	
	Workers comp benefits	209,645	0	209,645	214,835	(5,190)	
	Special fringe benefits	42,668	0	42,668	46,885	(4,217)	
	Publishing	600	0	600	1,361	(761)	
	Communcations - telephone	2,100	0	2,100	2,886	(786)	
	Gps tracking	5,955	0	5,955	7,343	(1,388)	
	Oper supplies & materials	33,870	0	33,870	47,599	(13,729)	
	Motor fuels & lubricants	87,673	0	87,673	101,289	(13,616)	
	Non-capital equipment	23,600	0	23,600	31,070	(7,470)	
	Maint/repair - vehicle parts	42,800	0	42,800	74,242	(31,442)	
	Ins. general liability	148,492	0	148,492	149,879	(1,387)	
	Drug investigation expense	0	0	0	3,000	(3,000)	
	Public relations	1,500	0	1,500	2,500	(1,000)	
	Employee relations	700	0	700	1,200	(500)	
	Fire	Overtime	191,223	0	191,223	364,273	(173,050)
		Holiday pay	110,842	0	110,842	111,254	(412)
Premium pay		64,435	0	64,435	67,488	(3,053)	
Health ins benefits		420,178	0	420,178	424,676	(4,498)	
Medicare benefits		32,430	0	32,430	34,282	(1,852)	
Umemployment benefits		4,990	0	4,990	8,218	(3,228)	
Workers comp benefits		180,912	0	180,912	201,525	(20,613)	
Professional/consulting		7,950	0	7,950	15,078	(7,128)	
Outside cleaning		1,814	0	1,814	1,898	(84)	
Publishing		150	0	150	438	(288)	
Travel/conf/training		26,870	0	26,870	40,232	(13,362)	
Communications - internet		11,209	0	11,209	11,229	(20)	
Pager/cell		3,415	0	3,415	3,586	(171)	
Office supplies		4,725	0	4,725	4,835	(110)	
Motor fuels & lubricants		23,386	0	23,386	24,392	(1,006)	
Non-capital equipment		24,398	0	24,398	29,290	(4,892)	
Maint/repair equipment		11,900	0	11,900	17,323	(5,423)	
Maint/repair tires		5,770	0	5,770	6,495	(725)	
Maint/repair - vehicle parts		24,400	0	24,400	29,788	(5,388)	
Ins general liability		43,476	0	43,476	51,255	(7,779)	
Rental charges		1,032	0	1,032	1,147	(115)	
Other contractual charge		4,900	0	4,900	5,056	(156)	
ESDA		Communications - postage	20	0	20	63	(43)
	Chemicals	2,000	0	2,000	2,379	(379)	
Public Works	Reg salaries & wages	695,331	0	695,331	757,087	(61,756)	
	Health ins benefits	180,076	0	180,076	192,928	(12,852)	
	Fica benefits	49,130	0	49,130	53,351	(4,221)	
	Medicare benefits	11,490	0	11,490	12,477	(987)	
	Umemployment benefits	2,138	0	2,138	4,719	(2,581)	
	Workers comp benefits	69,137	0	69,137	81,320	(12,183)	
	Publishing	150	0	150	621	(471)	
	Communications - postage	0	0	0	31	(31)	
	Oper supplies & materials	17,700	0	17,700	22,141	(4,441)	
	Motor fuels & lubricants	55,214	0	55,214	72,670	(17,456)	
	Maint/repair bldg/structur	0	0	0	358	(358)	
	Maint/repair othr improvmn	99,500	0	99,500	103,394	(3,894)	
	Maint/repair vehicle parts	39,500	0	39,500	48,861	(9,361)	
	Ins business auto	0	0	0	121	(121)	
	Subscriptions & membership	210	0	210	215	(5)	
	Fleet Services	Unemployment benefits	713	0	713	1,050	(337)
Outside cleaning		4,565	0	4,565	5,400	(835)	
Pager/cell		507	0	507	549	(42)	
Motor fuels & lubricants		249,907	0	249,907	283,065	(33,158)	
Maint/repair equipment		6,903	0	6,903	10,887	(3,984)	
Maint/repair bldg/structur		2,170	0	2,170	2,285	(115)	
Maint/repair vehicles		29,440	0	29,440	34,425	(4,985)	
Ins general liability		5,564	0	5,564	5,625	(61)	
Charge out 1201 casey		22,707	0	22,707	38,255	(15,548)	
Sick pay		0	0	0	61,519	(61,519)	
General Government	Professional/consulting	77,226	0	77,226	93,972	(16,746)	
	Outside cleaning	20,827	0	20,827	23,147	(2,320)	
	Publishing	0	0	0	433	(433)	
	Communications - postage	165	0	165	178	(13)	
	Office supplies	12,630	0	12,630	12,631	(1)	
	Oper supplies & materials	1,420	0	1,420	1,699	(279)	
	Motor fuels & lubricants	6,100	0	6,100	4,179	1,921	

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General Government	Non-capital equipment	3,775	0	3,775	4,909	(1,134)
	Maint/repair equipment	675	0	675	712	(37)
	Ins general liability	24,245	0	24,245	37,358	(13,113)
	Advertising/promo non-gra	0	0	0	200	(200)
	Rental charges	884	0	884	894	(10)
	Subscriptions & membership	1,650	0	1,650	1,702	(52)
	Other contractual charge	183,119	0	183,119	233,795	(50,676)
	Miscellaneous expense	0	0	0	1,714	(1,714)
	Other funding	486,420	0	486,420	604,345	(117,925)
	Transfers to other funds	1,000,000	0	1,000,000	2,919,809	(1,919,809)
1201 Casey	Regular salaries & wages	74,386	0	74,386	77,083	(2,697)
	Fica benefits	4,612	0	4,612	4,714	(102)
	Medicare benefits	1,079	0	1,079	1,103	(24)
	Unemployment compensatio	356	0	356	525	(169)
	Outside cleaning	3,400	0	3,400	3,652	(252)
	Utilities electric	12,137	0	12,137	13,429	(1,292)
Aquatic Zoo	Uniforms new hires	4,500	0	4,500	5,021	(521)
	Publishing	0	0	0	239	(239)
	Utilities - electric	28,000	0	28,000	31,853	(3,853)
	Office supplies	630	0	630	707	(77)
	Operating supplies & materi	25,200	0	25,200	39,962	(14,762)
	Professional certification	8,500	0	8,500	10,649	(2,149)
	Other contractual charge	17,600	0	17,600	18,369	(769)
Home Rule Tax	Professional/consulting	1,600	0	1,600	1,727	(127)
	Demolition	100,000	0	100,000	217,237	(117,237)
	State admin fee - hmr tax	0	0	0	70,651	(70,651)
	Bucket truck	0	0	0	46	(46)
	New squad cars	132,000	0	132,000	280,433	(148,433)
	Transfer to water fund	911,100	0	911,100	1,227,020	(315,920)
	Transfer to sewer fund	911,100	0	911,100	1,615,188	(704,088)
Quality of Life	Gob principal 2020 bonds	807,302	0	807,302	812,596	(5,294)
	2020 bond interest	831,549	0	831,549	836,031	(4,482)
	Paying agent fee bonds	0	0	0	318	(318)
	Other funding - outside age	6,200	0	6,200	7,104	(904)
General Corporate Capital	Annual audit costs	1,600	0	1,600	1,727	(127)
	State admin fee - tcom tax	0	0	0	227	(227)
	Funding-outside agencies	12,500	0	12,500	14,240	(1,740)
	Transfers to other funds	0	0	0	80,191	(80,191)
Pension Sales Tax	Annual audit costs	1,600	0	1,600	1,727	(127)
	State admin fee - pension sa	0	0	0	17,663	(17,663)
	Transfer to police pension fund	175,596	0	175,596	184,120	(8,524)
	Transfer to fire pension fund	239,014	0	239,014	278,391	(39,377)
	Transfer to aquatic zoo	0	0	0	13,515	(13,515)
	Transfer to SSA	0	0	0	7,523	(7,523)
TIF - Downtown	Professional/consulting	8,143	0	8,143	10,957	(2,814)
	Rehab, repr, replace bldgs	187,398	0	187,398	204,662	(17,264)
TIF - Industrial Park	Interest - weedy acres	10,314	0	10,314	10,319	(5)
TIF - Rte 15	Property, demolition, site p	263,358	0	263,358	266,505	(3,147)
Tourism	Regular salaries & wages	126,755	0	126,755	130,769	(4,015)
	Overtime	1,000	0	1,000	1,101	(101)
	Health insurance benefits	45,019	0	45,019	45,090	(71)
	Unemployment benefits	535	0	535	868	(333)
	Vacation pay	0	0	0	3,901	(3,901)
	Professional & consulting	2,626	0	2,626	2,730	(104)
	Outside cleaning	4,988	0	4,988	6,774	(1,786)
	Communications - telephone	1,650	0	1,650	2,369	(719)
	Ins - general liability	5,733	0	5,733	7,701	(1,968)
	Salute to freedom expense	20,000	0	20,000	55,000	(35,000)
	Rental charges	1,562	0	1,562	2,611	(1,049)
	Other contractual charge	7,135	0	7,135	8,510	(1,375)
	Supplies	0	0	0	105	(105)
	Debt principal - eri loan	6,668	0	6,668	6,925	(257)
Special Service Area Number One	Regular salaries & wages	37,653	0	37,653	39,640	(1,987)
	Health insurance benefits	15,006	0	15,006	15,130	(124)
	Fica benefits	2,459	0	2,459	2,550	(91)
	Unemployment benefits	178	0	178	257	(79)
	Operating supplies & materi	2,800	0	2,800	9,247	(6,447)
	Non-capital equipment	3,400	0	3,400	3,805	(405)
	Ins - general liability	236	0	236	303	(67)

Receivables as of April 30, 2022, for the government's individual major funds and aggregate nonmajor funds including applicable allowances for uncollectible accounts, are as follows:

	General Corporate Fund	Quality of Life	General Corporate Capital	Motor Fuel Tax	Sanitation	Home Rule Tax	Water Fund	Sewer Fund	Downtown TIF	Nonmajor Governmental Funds	Total
Receivables:											
Accounts receivable, gross	\$ 46,633	\$ -0-	\$149,809	\$ -0-	\$70,357	\$797,433	\$540,540	\$397,035	\$ 1,600	\$ 79,168	\$2,082,575
Notes	17,890	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	17,890
Due from other governments and their agencies	2,650,825	394,658	180,501	51,264	-0-	-0-	-0-	293,277	-0-	190,859	3,761,384
Property and replacement taxes, gross	598,606	-0-	-0-	-0-	-0-	-0-	-0-	-0-	668,595	2,175,375	3,442,576
Interest	-0-	-0-	-0-	-0-	-0-	-0-	713	-0-	-0-	-0-	713
Gross receivables	<u>3,313,954</u>	<u>394,658</u>	<u>330,310</u>	<u>51,264</u>	<u>70,357</u>	<u>797,433</u>	<u>541,253</u>	<u>690,312</u>	<u>670,195</u>	<u>2,445,402</u>	<u>9,305,138</u>
Less: allowance for uncollectibles	-0-	-0-	-0-	-0-	1,000	-0-	63,000	45,000	-0-	-0-	109,000
Net receivables	<u>\$3,313,954</u>	<u>\$394,658</u>	<u>\$330,310</u>	<u>\$51,264</u>	<u>\$69,357</u>	<u>\$797,433</u>	<u>\$478,253</u>	<u>\$645,312</u>	<u>\$670,195</u>	<u>\$2,445,402</u>	<u>\$9,196,138</u>

Interfund receivables and payables for the year ended April 30, 2022, consist of the following:

Interfund receivables

Amount	Due From Other Funds	Due To Other Funds	Purpose
\$250,000	General Corporate	Downtown TIF	Community development cash flow loan
605,431	General Corporate	Pension Sales Tax Fund	Pension funding
13,515	Aquatic Zoo	Pension Sales Tax Fund	Pension funding
22,227	Tourism	Pension Sales Tax Fund	Pension funding
7,523	SSA	Pension Sales Tax Fund	Pension funding
<u>898,696</u>	Total Governmental Funds		
216	Sanitation	Public Utilities	Sanitation's portion of customer billings
<u>216</u>	Total Enterprise Funds		
<u>898,912</u>	Totals		
1,042	Police Pension Fund (Fiduciary fund separately reported)	General Corporate	Payroll withholding clearing
<u>939</u>	Firefighters' Pension Fund (Fiduciary fund separately reported)	General Corporate	Payroll withholding clearing
<u>\$900,893</u>	Total reported on statement of net position due from other funds		

Interfund payables

Amount	Due To Other Funds	Due From Other Funds	Purpose
\$ 250,000	Downtown TIF	General Corporate	Community development cash flow loan
605,431	Pension Sales Tax Fund	General Corporate	Pension funding
13,515	Pension Sales Tax Fund	Aquatic Zoo	Pension funding
22,227	Pension Sales Tax Fund	Tourism	Pension funding
7,523	Pension Sales Tax Fund	SSA	Pension funding
191,528	Pension Sales Tax Fund	Police Pension Fund	Pension funding
<u>286,411</u>	Pension Sales Tax Fund	Fire Pension Fund	Pension funding
1,376,635	Total Governmental Funds		
216	Public Utilities	Sanitation	Payroll withholding clearing
<u>216</u>	Total Enterprise Funds		
<u>\$1,376,851</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, 2022, consist of the following amounts:

Governmental Activities:

Pension Sales Tax Fund to Fire and Police Pension Funds	\$ (462,511)
Home Rule Tax Fund to Water and Sewer Funds	(2,842,208)
Total Governmental Activities	<u>(3,304,719)</u>

Business-Type Activities:

Water Fund from Home Rule Tax Fund	1,225,107
Sewer Fund from Home Rule Tax Fund	1,617,101
Total Business-Type Activities	<u>2,842,208</u>

Total Government	<u>(462,511)</u>
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Fiduciary Funds - separately reported:

Fire Pension Fund	278,391
Police Pension Fund	184,120
Total Fiduciary Funds	<u>462,511</u>

Transfers - in/(out):

Governmental Activities	\$ (3,304,719)
Business-type Activities	2,842,208
Total Government	<u>\$ (462,511)</u>

Fiduciary Funds - separately reported	<u>\$ 462,511</u>
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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, 2022, is presented in the following table.

	Water Fund	Sewer Fund	Sanitation Fund
Condensed Statement of Net Position			
Assets:			
Current assets	\$ 2,190,860	\$ 4,740,381	\$144,279
Capital assets	18,034,348	14,464,996	40,000
Other noncurrent assets	1,272,432	307,810	-0-
Total assets	21,497,640	19,513,187	184,279
Liabilities:			
Current liabilities	505,712	363,536	98,036
Noncurrent liabilities	9,788,036	1,120,994	-0-
Total liabilities	10,293,748	1,484,530	98,036
Deferred inflows of resources			
Deferred Pension Credits	1,191,384	352,950	-0-
Deferred revenue	72,058	-0-	-0-
Total deferred inflows of resources	1,263,442	352,950	-0-
Net position:			
Net investment in capital assets	10,197,496	13,507,280	40,000
Committed for:			
Restricted revenue	(167,764)	4,473,634	-0-
Restricted for:			
Unrestricted	(89,282)	(305,207)	46,243
Total net position	\$ 9,940,450	\$17,675,707	\$ 86,243

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	Water Fund	Sewer Fund	Sanitation Fund
Condensed Statements of Revenues, Expenses, and Changes in Net Position			
Operating revenues:			
User charges	\$ 4,933,675	\$ 3,469,278	\$1,132,313
Other operating revenue	41,073	35,330	-0-
Total operating revenues	<u>4,974,748</u>	<u>3,504,608</u>	<u>1,132,313</u>
Operating expenses:			
Depreciation expense:			
On property and equipment acquired with fund liabilities or retained earnings	530,907	447,314	-0-
On property and equipment acquired with contributed equity	118,627	283,703	-0-
Total depreciation expense	<u>649,534</u>	<u>731,017</u>	<u>-0-</u>
Administration	1,149,449	909,500	31,285
Cost of sales and services	2,095,275	2,102,098	1,161,909
Total operating expenses	<u>3,894,258</u>	<u>3,742,615</u>	<u>1,193,194</u>
Operating income (loss)	<u>1,080,490</u>	<u>(238,007)</u>	<u>(60,881)</u>
Non-operating revenues (expenses):			
Non-operating revenues	74,534	76,206	212
Interest and fiscal charges - bonds	<u>(162,898)</u>	<u>(3,856)</u>	<u>-0-</u>
Total non-operating revenues (expenses)	<u>(88,364)</u>	<u>72,350</u>	<u>212</u>
Net income (loss)	992,126	(165,657)	(60,669)
Capital contributions from developers	25	788,861	-0-
Transfers from other funds	<u>1,225,107</u>	<u>1,617,101</u>	<u>-0-</u>
Change in net position	2,217,258	2,240,305	(60,669)
Net position - beginning	<u>7,723,192</u>	<u>15,435,402</u>	<u>146,912</u>
Total net position - ending	<u>\$ 9,940,450</u>	<u>\$17,675,707</u>	<u>\$ 86,243</u>
Capital Assets Additions and Deletions			
Property and equipment:			
Additions	<u>\$ 2,528,433</u>	<u>\$ 2,688,660</u>	<u>\$ -0-</u>
Condensed Statement of Cash Flows			
Net cash provided by (used for) operating activities	\$ 1,121,636	\$ 300,680	\$ (58,706)
Net cash provided by noncapital financing activities	1,640,132	2,361,079	-0-
Net cash (used for) capital and related financing activities	(1,970,475)	(1,914,888)	-0-
Net cash provided by investing activities	<u>77,419</u>	<u>76,209</u>	<u>211</u>
Net increase (decrease) in cash and cash equivalents	868,712	823,080	(58,495)
Cash and cash equivalents at May 1, 2021	<u>918,677</u>	<u>3,222,451</u>	<u>133,201</u>
Cash and cash equivalents at April 30, 2022	<u>\$ 1,787,389</u>	<u>\$ 4,045,531</u>	<u>\$ 74,706</u>
Reported as:			
Current assets	\$ 1,487,861	\$ 4,045,531	\$ 74,706
Restricted assets	299,528	-0-	-0-
	<u>\$ 1,787,389</u>	<u>\$ 4,045,531</u>	<u>\$ 74,706</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, 2022, 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, 2022, 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, 2022, are recognized as a long-term liability in the statement of net position. Changes in the balance of estimated insurance claims payable for the years ended April 30, 2009 through 2022 are:

	2022	2021	2020	2019
Claims liability at beginning of year	\$ 237,805	\$ 124,120	\$ 121,151	\$ 142,191
Current year claims and estimate changes	2,429,650	1,290,283	1,759,155	1,966,165
Claims payments	(1,750,971)	(1,176,598)	(1,756,186)	(1,987,205)
Claims liability at end of year	<u>\$ 916,484</u>	<u>\$ 237,805</u>	<u>\$ 124,120</u>	<u>\$ 121,151</u>
	2018	2017	2016	2015
Claims liability at beginning of year	\$ 285,728	\$ 385,996	\$ 545,074	\$ 311,493
Current year claims and estimate changes	1,875,057	2,566,016	2,959,204	1,946,061
Claims payments	(2,018,594)	(2,666,284)	(3,118,282)	(1,712,480)
Claims liability at end of year	<u>\$ 142,191</u>	<u>\$ 285,728</u>	<u>\$ 385,996</u>	<u>\$ 311,493</u>
	2013	2012	2011	2010
Claims liability at beginning of year	\$ 118,704	\$ 225,894	\$ 139,586	\$ 257,409
Current year claims and estimate changes	2,076,680	1,704,422	1,666,328	1,505,842
Claims payments	(1,822,347)	(1,811,612)	(1,580,020)	(1,623,665)
Claims liability at end of year	<u>\$ 373,037</u>	<u>\$ 118,704</u>	<u>\$ 225,894</u>	<u>\$ 139,586</u>

Note 10. TIF FUNDS

During the fiscal year ended April 30, 2009, the City created two Tax Increment Financing (TIF) funds. The Downtown TIF fund and the Homestead TIF fund. During the fiscal year ended April 30, 2010, the City created two additional TIF funds, Rt 15 and I-57 TIF and Industrial Park Construction TIF. Illinois statutes require that all TIF's file an annual TIF report with the IOC. Statutes also require a stand alone audit be submitted along with the TIF report for any TIF fund that has accumulated more than \$100,000 in incremental revenue. TIF funds that are below the \$100,000 threshold are allowed to submit the municipal audit report which includes the TIF fund reporting. The Downtown TIF, The Industrial Park Construction TIF, and the Route 15 and I-57 TIF required stand alone audits for April 30, 2022.

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 continues to go to the various taxing bodies as they always had, with the amount of this revenue declining only if the base declines (something that the TIF is expected to keep from happening) or the tax rate goes down. It is the growth of

the value of the property over the base that generates the tax increment. This increment is collected into a special fund (the Special Tax Increment Allocation Fund) for use by the municipality to make additional investment in the TIF project area. This reinvestment generates additional growth in property value, which results in even more revenue growth for reinvestment.

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

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

Note 11. ACCRETION OF BOND PREMIUM

Accretion of Series 2020 Bond Premium

The original bond premium of the Series 2020 bonds were \$6,472,676. This premium is being accreted over the 20 year life of the bonds based upon the effective interest rate method.

Current year accretion was \$436,872 leaving a balance of \$6,035,803 distributed in the following funds: General Corporate Capital \$1,466,996, Quality of Life \$2,802,869, Downtown TIF \$80,475, Home Rule Tax \$866,976, Public Utilities \$818,487. Related accretion revenue for the years ended April 30, 2023 through April 30, 2041, is as follows:

Year Ending April 30,	General Corporate Capital		Quality of Life		Downtown TIF		Home Rule Tax	
	Accretion Revenue	Unaccreted Premium	Accretion Revenue	Unaccreted Premium	Accretion Revenue	Unaccreted Premium	Accretion Revenue	Unaccreted Premium
2022	\$ -0-	\$1,466,996	\$ -0-	\$2,802,869	\$ -0-	\$80,475	\$ -0-	\$866,976
2023	111,926	1,355,070	175,447	2,627,422	7,467	73,008	29,312	837,664
2024	116,551	1,238,519	182,725	2,444,697	7,467	65,541	30,551	807,113
2025	121,176	1,117,343	190,005	2,254,692	8,296	57,245	31,789	775,324
2026	125,801	991,542	197,283	2,057,409	8,296	48,949	33,028	742,296
2027	131,042	860,500	205,359	1,852,050	9,126	39,823	34,266	708,030
2028	136,284	724,216	213,436	1,638,614	9,126	30,697	35,505	672,525
2029	141,526	582,690	221,512	1,417,102	9,956	20,741	36,743	635,782
2030	147,384	435,306	230,818	1,186,284	9,956	10,785	38,395	597,387
2031	153,242	282,064	239,693	946,591	10,785	-0-	39,633	557,754
2032	159,410	122,654	255,423	691,168	-0-	-0-	47,064	510,690
2033	122,654	-0-	265,127	426,041	-0-	-0-	48,716	461,974
2034	-0-	-0-	52,937	373,104	-0-	-0-	50,780	411,194
2035	-0-	-0-	55,089	318,015	-0-	-0-	52,844	358,350
2036	-0-	-0-	56,811	261,204	-0-	-0-	54,496	303,854
2037	-0-	-0-	58,532	202,672	-0-	-0-	56,147	247,707
2038	-0-	-0-	60,684	141,988	-0-	-0-	58,211	189,496
2039	-0-	-0-	63,267	78,721	-0-	-0-	60,688	128,808
2040	-0-	-0-	65,849	12,872	-0-	-0-	63,165	65,643
2041	-0-	-0-	12,872	-0-	-0-	-0-	65,643	-0-
	<u>\$1,466,996</u>	<u>\$ -0-</u>	<u>\$2,802,869</u>	<u>\$ -0-</u>	<u>\$80,475</u>	<u>\$ -0-</u>	<u>\$866,976</u>	<u>\$ -0-</u>

Year Ending April 30,	Public Utilities		Total	
	Accretion Revenue	Unaccreted Premium	Accretion Revenue	Unaccreted Premium
2022	\$ -0-	\$818,487	\$ -0-	\$6,035,803
2023	62,447	756,040	386,599	5,649,204
2024	65,027	691,013	402,321	5,246,883
2025	67,608	623,405	418,874	4,828,009
2026	70,188	553,217	434,596	4,393,413
2027	73,113	480,104	452,906	3,940,507
2028	76,037	404,067	470,388	3,470,119
2029	78,962	325,105	488,699	2,981,420
2030	82,231	242,874	508,784	2,472,636
2031	85,499	157,375	528,852	1,943,784
2032	88,940	68,435	550,837	1,392,947
2033	68,435	-0-	504,932	888,015
2034	-0-	-0-	103,717	784,298
2035	-0-	-0-	107,933	676,365
2036	-0-	-0-	111,307	565,058
2037	-0-	-0-	114,679	450,379
2038	-0-	-0-	118,895	331,484
2039	-0-	-0-	123,955	207,529
2040	-0-	-0-	129,014	78,515
2041	-0-	-0-	78,515	-0-
	<u>\$818,487</u>	<u>\$ -0-</u>	<u>\$6,035,803</u>	<u>\$ -0-</u>

Note 12. TAX ABATEMENT AGREEMENTS

ENTERPRISE ZONE INCENTIVES

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

STATE INCENTIVES AND EXEMPTIONS

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

CITY INCENTIVES AND EXEMPTIONS

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

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

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

TAX INCREMENT FINANCING INCENTIVES

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

Note 13. RESTATEMENT

For the fiscal year ended April 30, 2022, it was determined that advanced payments from the State of Illinois for Home Rule Tax (P.A. 86-1481) that were being carried as prepaid and therefore due back to the State were, in fact, not due back to the State. After review of these advance payments, it was determined that the advance payments were reconciled to what was actually due to the City and therefore should have been recorded as revenue in prior years. This led to a prior period adjustment to net position. This resulted in an increase in net position in the following funds: General Corporate Fund of \$400,421, Quality of Life Fund of \$70,974, and Home Rule Tax Fund of \$302,983. This is a total of \$774,378.

Note 14. NON-CASH TRANSACTION

On October 2, 2020, the City entered into an agreement with an unrelated party in regards to developing a parcel of land that was deeded to the City by quit-claim in a prior year. The developer agrees to spend \$650,000 to improve the land and in turn the City will convey ownership to the developer. The City received a promissory note from the developer in the amount of \$650,000. As the developer spends the money on the improvements, the amounts spent are documented and filed with the City and the promissory note is credited. As of April 30, 2022, the developer has spent and had the promissory note reduced by \$650,000, leaving the promissory note balance of \$-0- at April 30, 2022.

Note 15. SUBSEQUENT EVENTS

The City evaluates events and transactions that occur subsequent to year-end for potential disclosure in the financial statements through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued. There were no material subsequent events that required additional disclosure in these financial statements.

Note 16. COVID-19 IMPACT

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. The resulting restrictions on travel and quarantines imposed have had a negative impact on the U.S. economy and businesses activity globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition and future results of operations. The City is monitoring the impact of the global situation on its financial condition, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is unable to estimate the effects of the outbreak on its financial condition for fiscal year 2022.

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)

	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total pension liability							
Service cost	\$ 371,231	\$ 394,797	\$ 397,118	\$ 365,511	\$ 393,336	\$ 420,770	\$ 447,233
Interest	2,405,903	2,388,828	2,369,756	2,338,519	2,393,667	2,302,457	2,120,906
Differences between expected and actual experience	(24,821)	57,582	(98,825)	357,873	(55,798)	910,686	2,129,371
Changes in assumptions	-0-	(150,346)	-0-	831,946	(992,225)	(70,880)	25,468
Benefit payments, including refunds of member contributions	(2,464,389)	(2,422,745)	(2,384,918)	(2,422,305)	(2,498,453)	(2,332,072)	(2,157,372)
Net change in total pension liability	287,924	268,116	283,131	1,471,544	(759,473)	1,230,961	2,565,606
Total pension liability - beginning	34,231,442	33,963,326	33,680,195	32,208,651	32,968,124	31,737,163	29,171,557
Total pension liability - ending	<u>\$34,519,366</u>	<u>\$34,231,442</u>	<u>\$33,963,326</u>	<u>\$33,680,195</u>	<u>\$32,208,651</u>	<u>\$32,968,124</u>	<u>\$31,737,163</u>
Plan fiduciary net position							
Contributions - employer	\$ 455,161	\$ 522,212	\$ 389,637	\$ 518,376	\$ 442,180	\$ 1,620,935	\$ 587,963
Contributions - employee	168,025	173,685	169,244	166,264	167,076	223,818	302,026
Net investment income	6,297,519	4,868,272	5,765,928	(2,156,284)	5,459,348	1,852,814	133,639
Benefit payments, including refunds of member contributions	(2,464,389)	(2,422,745)	(2,384,918)	(2,422,305)	(2,498,453)	(2,332,072)	(2,157,372)
Other (net transfer)	(152,352)	(118,699)	(3,763)	764,011	(492,882)	244,633	807,399
Net change in plan fiduciary net position	4,303,964	3,022,725	3,936,128	(3,129,938)	3,077,269	1,610,128	(326,345)
Plan fiduciary net position - beginning	35,551,456	32,528,731	28,592,603	31,722,541	28,645,272	27,035,144	27,361,489
Plan fiduciary net position - ending	<u>\$39,855,420</u>	<u>\$35,551,456</u>	<u>\$32,528,731</u>	<u>\$28,592,603</u>	<u>\$31,722,541</u>	<u>\$28,645,272</u>	<u>\$27,035,144</u>
City's net pension liability - ending	<u>\$ (5,336,054)</u>	<u>\$ (1,320,014)</u>	<u>\$ 1,434,595</u>	<u>\$ 5,087,592</u>	<u>\$ 486,110</u>	<u>\$ 4,322,852</u>	<u>\$ 4,702,019</u>
Plan fiduciary net position as a percentage of the total pension liability	115.46%	103.86%	95.78%	84.89%	98.49%	86.89%	85.18%
Covered-employee payroll	\$ 3,733,890	\$ 3,859,653	\$ 3,760,971	\$ 3,694,768	\$ 3,565,971	\$ 3,943,169	\$ 4,168,843
City's net pension liability as a percentage of covered employee payroll	(142.91)%	(34.20)%	38.14%	137.70%	13.63%	109.63%	112.79%

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

Actuarial Valuation Date	Total Pension Liability	Plan Net Position	Net Pension Liability/ (Asset)	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
12/31/2021	\$34,519,366	\$39,855,420	\$(5,336,054)	115.46%	\$3,733,890	(142.91)%
12/31/2020	34,231,442	35,551,456	(1,320,014)	103.86%	3,859,653	(34.20)%
12/31/2019	33,963,326	32,528,731	1,434,595	95.78%	3,760,971	38.14%
12/31/2018	33,680,195	28,592,603	5,087,592	84.89%	3,694,768	137.70%
12/31/2017	32,208,651	31,722,541	486,110	98.49%	3,565,971	13.63%
12/31/2016	32,968,124	28,645,272	4,322,852	86.89%	3,943,169	109.63%
12/31/2015	31,737,163	27,035,144	4,702,019	85.18%	4,168,843	112.79%
12/31/2014	29,171,557	27,361,489	1,810,068	93.80%	4,109,697	44.04%

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

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution as a % of Covered Payroll	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll
2021	\$455,161	12.19%	\$ 455,161	\$ -0-	\$3,733,890
2020	522,211	13.53%	522,211	-0-	3,859,653
2019	389,637	10.36%	389,637	-0-	3,760,971
2018	527,613	14.03%	518,376	9,237	3,694,768
2017	542,028	12.40%	442,180	99,848	3,565,971
2016	475,152	41.11%	1,620,935	(1,145,783)	3,943,169
2015	522,356	14.10%	587,963	(65,607)	4,168,843

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

Used in the Calculation of the 2021 Contribution Rate

Valuation Date:	December 31, 2021
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 2021 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): 22-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 18 years for most employers (four employers were financed over 28 years).
Asset Valuation Method	5-Year smoothed market, 20% corridor
Wage Growth	3.25%
Price Inflation	2.5% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.25%

(Continued)

(Continued)

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

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

Mortality For non-disabled retirees, an I.M.R.F. specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The I.M.R.F specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current I.M.R.F experience. For disabled retirees, an I.M.R.F specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The I.M.R.F specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an I.M.R.F specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The I.M.R.F specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current I.M.R.F experience.

Other Information:

Notes There were no benefit changes during the year.

*Based on valuation assumptions used in the December 31, 2019 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	2.5%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%

(Continued)

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

Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2017-2019.
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Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
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Other Information:

Notes	There were no benefit changes during the year.
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A detailed description of the actuarial assumptions and methods can be found in the December 31, 2021 Illinois Municipal Retirement Fund annual actuarial valuation report.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return net of investment expense	15.80%	13.69%	17.73%	(7.54%)	18.09%	6.65%	0.49%

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

	Reporting Fiscal Year (Measurement Date) <u>April 30, 2022</u>	Reporting Fiscal Year (Measurement Date) <u>April 30, 2021</u>	Reporting Fiscal Year (Measurement Date) <u>April 30, 2020</u>
Total pension liability			
Service cost	\$ 595,548	\$ 585,683	\$ 654,838
Interest	2,242,312	2,231,420	2,089,074
Changes of benefit terms	-0-	-0-	139,622
Differences between expected and actual experience	(864,054)	(109,516)	(71,130)
Change in assumptions	5,258,704	-0-	(2,885,672)
Benefit payments, including refunds of member contributions	<u>(1,840,235)</u>	<u>(1,750,070)</u>	<u>(1,682,491)</u>
Net change in total pension liability	5,392,275	957,517	(1,755,759)
Total pension liability - beginning	<u>35,035,876</u>	<u>34,078,359</u>	<u>35,834,118</u>
Total pension liability - ending	40,428,151	35,035,876	34,078,359
Plan fiduciary net position			
Contributions - employer	1,077,072	1,070,796	967,543
Contributions - employee	291,254	232,192	240,866
Contributions - other	-0-	46,232	-0-
Net investment income	(1,549,869)	5,954,928	(653,067)
Benefit payments, including refunds of member contributions	(1,840,235)	(1,750,070)	(1,682,491)
Other (net transfer)	<u>(14,705)</u>	<u>(13,945)</u>	<u>(14,173)</u>
Net change in plan fiduciary net position	(2,036,483)	5,540,133	(1,141,322)
Plan fiduciary net position - beginning	<u>24,746,643</u>	<u>19,206,510</u>	<u>20,347,832</u>
Plan fiduciary net position - ending	<u>22,710,160</u>	<u>24,746,643</u>	<u>19,206,510</u>
City's net pension liability - ending	<u>\$17,717,991</u>	<u>\$10,289,233</u>	<u>\$14,871,849</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>56.17%</u>	<u>70.63%</u>	<u>56.36%</u>
Covered-employee payroll	<u>\$ 2,509,899</u>	<u>\$ 2,343,009</u>	<u>\$ 2,415,504</u>
City's net pension liability as a percentage of covered employee payroll	<u>705.92%</u>	<u>439.15%</u>	<u>615.68%</u>

(Continued)

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

	Reporting Fiscal Year (Measurement Date) April 30, 2019	Reporting Fiscal Year (Measurement Date) April 30, 2018	Reporting Fiscal Year (Measurement Date) April 30, 2017	Reporting Fiscal Year (Measurement Date) April 30, 2016
Total pension liability				
Service cost	\$ 658,250	\$ 624,578	\$ 587,893	\$ 509,241
Interest	2,031,387	1,964,155	1,815,915	1,903,251
Changes of benefit terms	-0-	-0-	-0-	-0-
Differences between expected and actual experience	110,306	167,695	(192,998)	-0-
Change in assumptions	1,015,132	275,985	1,797,325	-0-
Benefit payments, including refunds of member contributions	<u>(1,702,580)</u>	<u>(1,575,281)</u>	<u>(1,689,684)</u>	<u>(1,325,529)</u>
Net change in total pension liability	2,112,495	1,457,132	2,318,451	1,086,963
Total pension liability - beginning	<u>33,721,623</u>	<u>32,264,491</u>	<u>29,946,040</u>	<u>28,859,077</u>
Total pension liability - ending	35,834,118	33,721,623	32,264,491	29,946,040
Plan fiduciary net position				
Contributions - employer	914,270	656,263	935,025	872,624
Contributions - employee	237,340	259,049	274,341	259,417
Contributions - other	-0-	-0-	-0-	-0-
Net investment income	977,325	1,510,770	1,798,113	(348,745)
Benefit payments, including refunds of member contributions	<u>(1,702,580)</u>	<u>(1,575,281)</u>	<u>(1,689,684)</u>	<u>(1,325,529)</u>
Administrative expense	<u>(13,547)</u>	<u>(15,680)</u>	<u>(15,997)</u>	<u>(32,995)</u>
Net change in plan fiduciary net position	412,808	835,121	1,301,798	(575,228)
Plan fiduciary net position - beginning	<u>19,935,024</u>	<u>19,099,903</u>	<u>17,798,105</u>	<u>18,373,333</u>
Plan fiduciary net position - ending	<u>20,347,832</u>	<u>19,935,024</u>	<u>19,099,903</u>	<u>17,798,105</u>
City's net pension liability - ending	<u>\$15,486,286</u>	<u>\$13,786,599</u>	<u>\$13,164,588</u>	<u>\$12,147,935</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>56.78%</u>	<u>59.12%</u>	<u>59.20%</u>	<u>59.43%</u>
Covered-employee payroll	<u>\$ 2,554,379</u>	<u>\$ 2,442,239</u>	<u>\$ 2,365,452</u>	<u>\$ 2,524,089</u>
City's net pension liability as a percentage of covered employee payroll	<u>606.00%</u>	<u>564.51%</u>	<u>556.54%</u>	<u>481.28%</u>

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

	Reporting Fiscal Year (Measurement Date) April 30, 2022	Reporting Fiscal Year (Measurement Date) April 30, 2021	Reporting Fiscal Year (Measurement Date) April 30, 2020
Total pension liability			
Service cost	\$ 515,298	\$ 505,285	\$ 604,160
Interest	1,987,832	2,009,957	1,863,556
Changes of benefit terms	-0-	-0-	32,820
Differences between expected and actual experience	(1,428,318)	(178,393)	406,349
Change in assumptions	1,421,288	-0-	(1,861,933)
Benefit payments, including refunds of member contributions	<u>(1,439,604)</u>	<u>(1,408,524)</u>	<u>(1,387,513)</u>
Net change in total pension liability	1,056,496	928,307	(342,561)
Total pension liability - beginning	<u>31,581,218</u>	<u>30,652,911</u>	<u>30,995,472</u>
Total pension liability - ending	<u>32,637,714</u>	<u>31,581,218</u>	<u>30,652,911</u>
Plan fiduciary net position			
Contributions - employer	1,230,511	1,185,567	1,102,789
Contributions - employee	188,166	185,827	181,340
Net investment income	(1,128,638)	5,603,680	(1,729,019)
Benefit payments, including refunds of member contributions	(1,439,604)	(1,408,542)	(1,387,513)
Other (net transfer)	<u>(6,140)</u>	<u>(18,063)</u>	<u>(16,230)</u>
Net change in plan fiduciary net position	(1,155,705)	5,548,469	(1,848,633)
Plan fiduciary net position - beginning	<u>19,825,860</u>	<u>14,277,391</u>	<u>16,126,024</u>
Plan fiduciary net position - ending	<u>18,670,155</u>	<u>19,825,860</u>	<u>14,277,391</u>
City's net pension liability - ending	<u>\$13,967,559</u>	<u>\$11,755,358</u>	<u>\$16,375,520</u>
Plan fiduciary net position as a percentage of the total pension liability	57.20%	62.78%	46.58%
Covered-employee payroll	<u>\$ 2,008,609</u>	<u>\$ 1,945,384</u>	<u>\$ 1,894,708</u>
City's net pension liability as a percentage of covered employee payroll	695.38%	604.27%	864.28%

(Continued)

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

	Reporting Fiscal Year (Measurement Date) April 30, 2019	Reporting Fiscal Year (Measurement Date) April 30, 2018	Reporting Fiscal Year (Measurement Date) April 30, 2017	Reporting Fiscal Year (Measurement Date) April 30, 2016
Total pension liability				
Service cost	\$ 554,525	\$ 536,372	\$ 503,305	\$ 414,252
Interest	1,825,397	1,760,912	1,666,159	1,653,010
Changes of benefit terms	-0-	-0-	-0-	-0-
Differences between expected and actual experience	(284,774)	(40,278)	31,103	-0-
Change in assumptions	1,679,882	77,931	464,384	-0-
Benefit payments, including refunds of member contributions	<u>(1,296,422)</u>	<u>(1,242,714)</u>	<u>(1,200,947)</u>	<u>(1,191,451)</u>
Net change in total pension liability	2,478,608	1,092,223	1,464,004	875,811
Total pension liability - beginning	<u>28,516,864</u>	<u>27,424,581</u>	<u>25,960,577</u>	<u>25,084,766</u>
Total pension liability - ending	30,995,472	28,516,804	27,424,581	25,960,577
Plan fiduciary net position				
Contributions - employer	965,697	970,825	763,136	751,183
Contributions - employee	181,439	185,102	181,858	185,080
Net investment income	243,352	1,057,215	1,528,491	(322,125)
Benefit payments, including refunds of member contributions	(1,296,422)	(1,242,714)	(1,200,947)	(1,191,451)
Administrative expense	<u>(15,443)</u>	<u>(18,851)</u>	<u>(19,841)</u>	<u>(15,537)</u>
Net change in plan fiduciary net position	78,623	951,577	1,252,697	(592,850)
Plan fiduciary net position - beginning	<u>16,047,401</u>	<u>15,095,824</u>	<u>13,843,127</u>	<u>14,435,977</u>
Plan fiduciary net position - ending	<u>16,126,024</u>	<u>16,047,401</u>	<u>15,095,824</u>	<u>13,843,127</u>
City's net pension liability - ending	<u>\$14,869,448</u>	<u>\$12,469,403</u>	<u>\$12,328,757</u>	<u>\$12,117,450</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>52.00%</u>	<u>56.27%</u>	<u>55.04%</u>	<u>53.32%</u>
Covered-employee payroll	<u>\$ 2,029,652</u>	<u>\$ 1,968,962</u>	<u>\$ 1,906,985</u>	<u>\$ 1,880,691</u>
City's net pension liability as a percentage of covered employee payroll	<u>732.61%</u>	<u>633.30%</u>	<u>646.51%</u>	<u>644.31%</u>

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

Police Pension

Valuation Date	Fiscal Year Ending April 30,	Contributions in Relation to the			Contribution Deficiency (Excess)	Covered Payroll at Valuation Date	Actual Contribution as a % of Covered Employee Payroll
		Actuarially Determined Contribution	Actuarially Determined Contribution	Actuarially Determined Contribution			
4/30/22	2022	\$1,077,072	\$1,077,072	\$ -0-	\$2,509,899	42.91%	
4/30/21	2021	1,070,796	1,070,796	-0-	2,343,009	45.70%	
4/30/20	2020	966,054	967,543	(1,489)	2,415,504	40.06%	
4/30/19	2019	895,148	914,270	(19,122)	2,554,379	35.79%	
4/30/18	2018	836,465	656,263	(180,202)	2,442,329	26.87%	
4/30/17	2017	749,419	935,025	(185,606)	2,365,452	39.53%	
4/30/16	2016	748,583	872,624	(124,041)	2,524,089	34.57%	

Firefighters' Pension

Valuation Date	Fiscal Year Ending April 30,	Contributions in Relation to the			Contribution Deficiency (Excess)	Covered Payroll at Valuation Date	Actual Contribution as a % of Covered Employee Payroll
		Actuarially Determined Contribution	Actuarially Determined Contribution	Actuarially Determined Contribution			
4/30/22	2022	\$1,230,511	\$1,230,511	\$ -0-	\$2,008,609	61.26%	
4/30/21	2021	1,185,567	1,193,514	(7,947)	1,945,384	60.94%	
4/30/20	2020	1,101,209	1,102,789	(1,580)	1,894,708	58.20%	
4/30/19	2019	954,479	965,697	(11,218)	2,029,652	47.58%	
4/30/18	2018	919,271	970,825	(51,554)	1,968,962	49.31%	
4/30/17	2017	766,430	763,136	3,297	1,906,985	40.02%	
4/30/16	2016	707,498	751,183	(43,685)	1,880,691	39.94%	

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

Actuarial Assumptions (Economic)

Discount rate used for the total pension liability	5.68%
Long-term expected rate of return on plan assets	6.75%
High quality 20 year tax exempt G.O. bond rate	3.21%
Projected individual salary increases	2.5% - 18.50%
Projected increase in total payroll	3.25%
Consumer price index (urban)	2.25%
Inflation rate included	2.25%

Actuarial Assumptions (Demographic)

Mortality rates	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as described
Retirement rates	100% of L&A 2020 Illinois Police Retirement Rates capped at age 65
Termination rates	100% of L&A 2020 Illinois Police Termination Rates
Disability rates	100% of L&A 2020 Illinois Police Disability Rates
Marital assumptions	Active members: 80% Retiree and disabled members: Based on actual spousal data

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 2.27% to 3.21% 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 5.68%. 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.

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

In addition, there are changes that can be made that impact the projection of the Plan Fiduciary Net Position. For example, changes in the Formal or Informal Funding Policy can impact the discount rate. Actual changes in the Plan Fiduciary Net Position from one year to the next can impact the projections as well.

(Continued)

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

NOTES ON ACTUARIAL ASSUMPTIONS

Projected Individual Pay Increases

Projected individual pay increases include a long-term average increase for inflation, average annual increases for promotions, and any additional increases for a step program. Projected individual pay increases for active Members hired at age 40 or older are assumed annual increases at the ultimate rate reduced by 50 basis points, without adjustments in early service years. Sample rates are as follows:

<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
0	18.50%	8	3.75%
1	2.50%	9	3.75%
2	3.15%	10	3.75%
3	3.16%	15	3.75%
4	3.15%	20	3.75%
5	3.15%	25	3.75%
6	3.75%	30	3.75%
7	3.75%	35	3.75%

Actuarial Assumptions (Demographic)

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis. 50% of active Member deaths are assumed to be in the Line of Duty.

Retiree Mortality follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

Other actuarial assumption (demographic) rates are based on a review of the L&A Assumption Study for Police 2020.

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 increase of 3.00% of the current retirement benefits by statute when eligible. Tier 2 Police retirees are provided postemployment benefit increases based on the lesser of 3.00% of the original retirement benefits or one-half of the Consumer Price Index (Urban) for the prior September.

(Continued)

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

The CPI-U for September 1991 was 137.2. The CPI-U for September 2021 was 274.31. The average increase in the CPI-U for September 1991 through September 2021 was 2.34% (on a compounded basis).

EXPECTED RETURN ON PENSION PLAN INVESTMENTS

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

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

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

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return	Target Allocation
US Large	6.65%	2.50%	4.15%	23.00%
US Small	7.04%	2.50%	4.54%	5.00%
International				
Developed	7.14%	2.50%	4.64%	18.00%
International				
Developed Small	2.25%	2.50%	-0.25%	5.00%
Emerging Markets	7.81%	2.50%	5.31%	7.00%
Private Equity				
(Direct)	9.65%	2.50%	7.15%	7.00%
Bank Loans	4.98%	2.50%	2.48%	3.00%
High Yield Corp.				
Credit	4.98%	2.50%	2.48%	3.00%
Emerging Market				
Debt	5.32%	2.50%	2.82%	3.00%
Private Credit	6.87%	2.50%	4.37%	5.00%
US TIPS	2.38%	2.50%	-0.12%	3.00%
Real Estate/				
Infrastructure	6.50%	2.50%	4.00%	8.00%
Cash	2.23%	2.50%	-0.27%	1.00%
Short-Term				
Government/Credit	3.23%	2.50%	0.73%	3.00%
US Treasury	1.90%	2.50%	-0.60%	3.00%
Core Plus Fixed				
Income	3.23%	2.50%	0.73%	3.00%

(Continued)

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

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

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

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

MUNICIPAL BOND RATE

The municipal bond rate assumption is based on The Bond Buyer 20-Bond G.O. Index. The rate shown earlier in this section of the report is the April 28, 2022 rate. The 20-Bond G.O. Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

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

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

DISCOUNT RATE

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

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

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

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

Actuarial Assumptions (Economic)

Discount rate used for the total pension liability	6.41%
Long-term expected rate of return on plan assets	6.75%
High quality 20 year tax exempt G.O. bond rate	3.21%
Projected individual salary increases	3.25% - 6.80%
Projected increase in total payroll	3.25%
Consumer price index (urban)	2.25%
Inflation rate included	2.25%

Actuarial Assumptions (Demographic)

Mortality rates	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as described
Retirement rates	100% of L&A 2020 Illinois Firefighters' Retirement Rates capped at age 65
Termination rates	100% of L&A 2020 Illinois Firefighters' Termination Rates
Disability rates	100% of L&A 2020 Illinois Firefighters' Disability Rates
Marital assumptions	Active members: 80% Retiree and disabled members: Based on actual spousal data

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 2.27% to 3.21% 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 6.41%. 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.

NOTES ON ACTUARIAL ASSUMPTIONS

Projected Individual Pay Increases

Projected individual pay increases include a long-term average increase for inflation, average annual increases for promotions, and any additional increases for a step program. Projected individual pay increases for active Members hired at age 40 or older are assumed annual increases at the ultimate rate reduced by 50 basis points, without adjustments in early service years. Sample rates are as follows:

<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
0	6.80%	8	3.75%
1	3.25%	9	3.75%
2	3.25%	10	3.75%
3	3.25%	15	3.75%
4	3.25%	20	3.75%
5	3.25%	25	3.75%
6	3.75%	30	3.75%
7	3.75%	35	3.75%

Actuarial Assumptions (Demographic)

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis. 50% of active Member deaths are assumed to be in the Line of Duty.

Retiree Mortality follows the L&A Assumption Study for Firefighters' 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

Disabled Mortality follows the L&A Assumption Study for Firefighters' 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (age 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

(Continued)

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

Other actuarial assumption (demographic) rates are based on a review of the L&A Assumption Study for Firefighters' 2020.

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 1991 was 137.2. The CPI-U for September 2021 was 274.31. The average increase in the CPI-U for September 1991 through September 2021 was 2.34% (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 table below illustrates the best estimate of long-term expected real rates of return developed for each of the major asset classes, adjusted for expected inflation.

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>	<u>Long-Term Inflation Expectations</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
US Equity	7.70%	2.50%	5.20%	31.00%
Developed Market Equity (Non-US)	7.60%	2.50%	5.10%	16.00%
Emerging Market Equity	8.00%	2.50%	5.50%	8.00%
Private Equity	11.10%	2.50%	8.60%	5.00%
Public Credit	4.30%	2.50%	1.80%	3.00%
Private Credit	9.50%	2.50%	7.00%	5.00%
Cash Equivalents	1.90%	2.50%	-0.60%	0.00%
Core Investment Grade Bonds	4.10%	2.50%	1.60%	15.00%
Long-Term Treasuries	3.80%	2.50%	1.30%	3.00%
US TIPS	3.30%	2.50%	0.80%	4.00%
Real Estate	7.40%	2.50%	4.90%	5.00%
Infrastructure	7.60%	2.50%	5.10%	5.00%

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

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

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

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

MUNICIPAL BOND RATE

The municipal bond rate assumption is based on The Bond Buyer 20-Bond G.O. Index. The rate shown earlier in this section of the report is the April 28, 2022 rate. The 20-Bond G.O. Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

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

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

DISCOUNT RATE

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

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

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

SCHEDULE OF INVESTMENT RETURNS

	Annual Money-Weighted Rate of Return, Net of Investment Expense	
	<u>Police Pension</u>	<u>Firefighters' Pension</u>
4/30/22	(7.45%)	(6.68%)
4/30/21	31.28%	37.57%
4/30/20	(3.64%)	(13.07%)
4/30/19	5.40%	1.69%
4/30/18	8.71%	7.54%
4/30/17	10.78%	11.84%
4/30/16	(2.16%)	(2.61%)
4/30/15	7.13%	4.32%

City Other Post Employment Benefits Plan

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY

	<u>4/30/22</u>
Total OPEB liability	
Service cost	\$ 165,297
Interest	165,319
Changes of benefit terms	-0-
Differences between expected and actual experience	-0-
Changes in assumptions	(999,395)
Benefit payments	<u>(619,617)</u>
Net change in total OPEB liability	<u>(1,288,396)</u>
Total OPEB liability - beginning	7,592,575
Total OPEB liability - ending (a)	<u>\$ 6,304,179</u>
OPEB plan net position	
Contributions - employer	\$ 619,617
Contributions - employee	-0-
Contributions - other	-0-
Net investment income	-0-
Benefit payments	(619,617)
Administrative expense	<u>-0-</u>
Net change in OPEB plan net position	-0-
Total OPEB plan net position - beginning	-0-
Total OPEB plan net position - ending (b)	<u>\$ -0-</u>
Employer's total OPEB liability/(asset) - ending (a) - (b)	<u>\$ 6,304,179</u>
Covered-employee payroll	\$ 8,985,152
Employer's total OPEB liability as a percentage of covered-employee payroll	70.16%
Contribution from other City resources (actuarially determined contribution)	\$ 619,617

There is no ADC or employer contribution in relation to the ADC, as there is no trust that exists for funding the OPEB liability. However, the City did make benefit payments from other City resources in the current year in the amount of \$619,617.

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

STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS

Assumptions (economic)

Discount rate used for the total OPEB liability	
Beginning of year	2.27%
End of year	3.21%
Long-term expected rate of return on plan assets	N/A
High quality 20 year tax-exempt G.O. bond rate	
Beginning of year	2.27%
End of year	2.27%
Total payroll increases	2.75%
Claims and premiums	See accompanying tables
Healthcare cost trend rates	See accompanying tables
Retiree contribution rates	Same as healthcare cost trend rates

GASB METHODS AND PROCEDURES

	Statement 75 <u>Employer Financials</u>
Fiscal year end for reporting	April 30, 2022
Measurement date	April 30, 2022
Actuarial valuation date	May 1, 2021
Data date	April 30, 2022
Asset valuation method	Market value
Actuarial cost method	Entry age normal (level %)
Methodology Used in the Determination of Deferred Inflows and Outflows of Resources	
Amortization method	Straight line
Amortization period	
Actuarial experience	8.62 years
Changes in assumptions	8.62 years
Asset experience	5.00 years

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

(Continued)

(Continued)

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

Mortality Rates

Active IMRF mortality follows the sex distinct raw rates as developed in the RP-2014 study. These rates are improved generationally using MP-2017 improvement rates and weighted based on the IMRF December 31, 2021 actuarial valuation.

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

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

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

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

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

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

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

(Continued)

ASSUMPTION CHANGES

The assumptions were changed from the prior year.

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

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

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

The assumed rate of High Quality 20-year Tax-Exempt G.O. Bonds was 2.27% for the current year. The underlying index used is the Bond Buyer 20-Bond G.O. Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 74 and Statement 75.

Since the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 2.27% to 3.21%. See the *Assumptions (Economic)* section for more details.

EXPECTED RETURN ON OPEB PLAN INVESTMENTS

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

MUNICIPAL BOND RATE

The municipal bond rate assumption is based on The Bond Buyer 20-Bond G.O. Index. The rate shown earlier in the assumption section is the April 30, 2022 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.

(Continued)

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

DISCOUNT RATE

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

If the postretirement plan is funded, cash flow projections are used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net OPEB liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net OPEB liability associated with those payments.

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

INFLATION RATE

The long-term inflation expectation used is 2.25%, which is an underlying component of the discount rate and assumed health care trend rates.

DEVELOPMENT OF STARTING CLAIMS COSTS

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

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

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

CITY OF MT. VERNON, ILLINOIS
GENERAL CORPORATE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS
GOVERNMENTAL FUNDS
Year Ended April 30, 2022

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Sales taxes	\$ 9,386,700	\$ -0-	\$ 9,386,700	\$11,753,914	\$ 2,367,214
Use taxes	542,300	-0-	542,300	577,366	35,066
Hotel/motel taxes	902,849	-0-	902,849	1,065,509	162,660
Property taxes levied for general purposes	287,407	-0-	287,407	288,694	1,287
Franchise taxes	143,000	-0-	143,000	132,626	(10,374)
Public service taxes	2,407,700	-0-	2,407,700	3,803,653	1,395,953
Unrestricted investment income	38,200	-0-	38,200	19,882	(18,318)
Miscellaneous	8,180	-0-	8,180	62,523	54,343
Operating grants and contributions	18,500	-0-	18,500	22,094	3,594
Charges for services	964,659	-0-	964,659	1,093,821	129,162
Total revenues	<u>14,699,495</u>	<u>-0-</u>	<u>14,699,495</u>	<u>18,820,082</u>	<u>4,120,587</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS
 GENERAL CORPORATE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GAAP BASIS
 GOVERNMENTAL FUNDS
 Year Ended April 30, 2022

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Expenditures:</u>					
Current					
General government	3,193,295	-0-	3,193,295	3,302,588	(109,293)
Public safety					
Police	5,652,317	-0-	5,652,317	5,188,271	464,046
Fire	3,213,477	-0-	3,213,477	3,420,103	(206,626)
Public works	1,712,762	-0-	1,712,762	1,733,619	(20,857)
Engineering services	429,811	-0-	429,811	394,832	34,979
Culture and recreation	1,025,387	-0-	1,025,387	942,669	82,718
Debt service					
Principle retirement	124,950	-0-	124,950	124,950	-0-
Interest and fiscal charges	14,801	-0-	14,801	14,801	-0-
Total expenditures	<u>15,366,800</u>	<u>-0-</u>	<u>15,366,800</u>	<u>15,121,833</u>	<u>244,967</u>
Excess (deficiency) of revenues over (under) expenditures	(667,305)	-0-	(667,305)	3,698,249	4,365,554
<u>Other financing sources (uses)</u>					
Transfers to other funds	378,745	(708,400)	(329,655)	(2,275,863)	(1,946,208)
Sale of assets	3,500	-0-	3,500	12,300	8,800
Net other financing sources (uses)	<u>382,245</u>	<u>(708,400)</u>	<u>(326,155)</u>	<u>(2,263,563)</u>	<u>(1,937,408)</u>
Net change in fund balance	<u>(285,060)</u>	<u>\$(708,400)</u>	<u>(993,460)</u>	<u>1,434,686</u>	<u>\$ 2,428,146</u>
Fund balance - beginning	8,371,486	-0-	8,371,486	8,371,486	
Cumulative change in accounting principle - See Note 13	-0-	-0-	-0-	400,421	
Fund balance - ending	<u>\$ 8,086,426</u>	<u>\$(708,400)</u>	<u>\$ 7,378,026</u>	<u>\$10,206,593</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, 2022

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Sales taxes	\$ 1,820,300	\$-0-	\$ 1,820,300	\$2,355,144	\$ 534,844
Unrestricted investment income	4,000	-0-	4,000	6,986	2,986
Total revenues	<u>1,824,300</u>	<u>-0-</u>	<u>1,824,300</u>	<u>2,362,130</u>	<u>537,830</u>
<u>Expenditures:</u>					
Current					
General government	7,514,770	-0-	7,514,770	1,054,368	6,460,402
Debt service					
Principal retirement	807,302	-0-	807,302	812,596	(5,294)
Interest and fiscal charges	831,549	-0-	831,549	836,030	(4,481)
Total expenditures	<u>9,153,621</u>	<u>-0-</u>	<u>9,153,621</u>	<u>2,702,994</u>	<u>6,450,627</u>
Excess (deficiency) of revenues over (under) expenditures	(7,329,321)	-0-	(7,329,321)	(340,864)	6,988,457
<u>Other financing sources (uses)</u>					
Transfers from other funds	-0-	-0-	-0-	2,000,000	2,000,000
Net other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,000,000</u>	<u>2,000,000</u>
Net change in fund balance	(7,329,321)	<u>\$-0-</u>	(7,329,321)	1,659,136	<u>\$8,988,457</u>
Fund balance - beginning	7,621,610		7,621,610	7,621,610	
Cumulative change in accounting principle - See Note 13	<u>-0-</u>		<u>-0-</u>	70,974	
Fund balance - ending	<u>\$ 292,289</u>		<u>\$ 292,289</u>	<u>\$9,351,720</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, 2022

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/ (Under) Expenditure (Over) /Under Variance
<u>Revenues:</u>					
Sales taxes	\$ 1,320,400	\$-0-	\$ 1,320,400	\$1,461,375	\$ 140,975
Unrestricted investment income	-0-	-0-	-0-	4,690	4,690
Capital grants and contributions	130,493	-0-	130,493	55,320	(75,173)
Total revenues	<u>1,450,893</u>	<u>-0-</u>	<u>1,450,893</u>	<u>1,521,385</u>	<u>70,492</u>
<u>Expenditures:</u>					
Current					
General government	2,094,100	-0-	2,094,100	105,400	1,988,700
Debt service					
Interest and fiscal charges	448,690	-0-	448,690	448,677	13
Total expenditures	<u>2,542,790</u>	<u>-0-</u>	<u>2,542,790</u>	<u>554,077</u>	<u>1,988,713</u>
Excess (deficiency) of revenues over (under) expenditures	(1,091,897)	-0-	(1,091,897)	967,308	2,059,205
<u>Other financing sources (uses)</u>					
Transfers from other funds	1,000,000	-0-	1,000,000	1,000,000	-0-
Transfers to other funds	-0-	-0-	-0-	(80,191)	(80,191)
Principal paid on long-term debt	(531,159)	-0-	(531,159)	(531,121)	38
Long-term debt issued	800,000	-0-	800,000	-0-	(800,000)
Net other financing sources (uses)	<u>1,268,841</u>	<u>-0-</u>	<u>1,268,841</u>	<u>388,688</u>	<u>(880,153)</u>
Net change in fund balance	176,944	<u>\$-0-</u>	176,944	1,355,996	<u>\$1,179,052</u>
Fund balance - beginning	<u>756,736</u>		<u>756,736</u>	<u>756,736</u>	
Fund balance - ending	<u>\$ 933,680</u>		<u>\$ 933,680</u>	<u>\$2,112,732</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, 2022

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Unrestricted investment income	\$ -0-	\$-0-	\$ -0-	\$ 3,910	\$ 3,910
Capital grants and contributions	897,433	-0-	897,433	944,618	47,185
Total revenues	<u>897,433</u>	<u>-0-</u>	<u>897,433</u>	<u>948,528</u>	<u>51,095</u>
<u>Expenditures:</u>					
Current					
Public works	1,011,421	-0-	1,011,421	347,551	663,870
Total expenditures	<u>1,011,421</u>	<u>-0-</u>	<u>1,011,421</u>	<u>347,551</u>	<u>663,870</u>
Net change in fund balance	(113,988)	<u>\$-0-</u>	(113,988)	600,977	<u>\$714,965</u>
Fund balance - beginning	<u>1,529,648</u>		<u>1,529,648</u>	<u>1,529,648</u>	
Fund balance - ending	<u>\$1,415,660</u>		<u>\$1,415,660</u>	<u>\$2,130,625</u>	

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

CITY OF MT. VERNON, ILLINOIS
HOME RULE SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS
GOVERNMENTAL FUNDS
Year Ended April 30, 2022

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Sales taxes	\$ 3,640,700	\$-0-	\$ 3,640,700	\$ 4,710,049	\$ 1,069,349
Unrestricted investment income	24,000	-0-	24,000	48,166	24,166
Capital grants and contributions	-0-	-0-	-0-	168,000	168,000
Total revenues	<u>3,664,700</u>	<u>-0-</u>	<u>3,664,700</u>	<u>4,926,215</u>	<u>1,261,515</u>
<u>Expenditures:</u>					
Current					
General government	10,535,289	-0-	10,535,289	3,164,903	7,370,386
Debt Service					
Interest and fiscal charges	262,110	-0-	262,110	257,642	4,468
Total expenditures	<u>10,797,399</u>	<u>-0-</u>	<u>10,797,399</u>	<u>3,422,545</u>	<u>7,374,854</u>
Excess (deficiency) of revenues over (under) expenditures	(7,132,699)	-0-	(7,132,699)	1,503,670	8,636,369
<u>Other financing sources (uses):</u>					
Transfers to other funds	(1,822,200)	-0-	(1,822,200)	(2,842,208)	(1,020,008)
Principal paid on long-term debt	-0-	-0-	-0-	(119,952)	(119,952)
Total other financing sources (uses)	<u>(1,822,200)</u>	<u>-0-</u>	<u>(1,822,200)</u>	<u>(2,962,160)</u>	<u>(1,139,960)</u>
Net change in fund balance	(8,954,899)	<u>\$-0-</u>	(8,954,899)	(1,458,490)	<u>\$ 7,496,409</u>
Fund balance - beginning	8,879,075		8,879,075	8,879,075	
Cumulative change in accounting principle - See Note 13	<u>-0-</u>		<u>-0-</u>	<u>302,983</u>	
Fund balance - ending	<u>\$ (75,824)</u>		<u>\$ (75,824)</u>	<u>\$ 7,723,568</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, 2022

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$ 430,000	\$-0-	\$ 430,000	\$471,571	\$ 41,571
Unrestricted investment income	90	-0-	90	17	(73)
Charges for services	37,882	-0-	37,882	37,882	-0-
Total revenues	<u>467,972</u>	<u>-0-</u>	<u>467,972</u>	<u>509,470</u>	<u>41,498</u>
<u>Expenditures:</u>					
Current					
Community development	643,641	-0-	643,641	492,947	150,694
Debt service					
Interest and fiscal charges	25,842	-0-	25,842	25,842	-0-
Total expenditures	<u>669,483</u>	<u>-0-</u>	<u>669,483</u>	<u>518,789</u>	<u>150,694</u>
Excess (deficiency) of revenues over (under) expenditures	(201,511)	-0-	(201,511)	(9,319)	192,192
<u>Other financing sources (uses):</u>					
Transfers to other funds	(16,480)	-0-	(16,480)	(16,000)	480
Principal paid on long-term debt	(40,000)	-0-	(40,000)	(40,000)	-0-
Total other financing sources (uses)	<u>(56,480)</u>	<u>-0-</u>	<u>(56,480)</u>	<u>(56,000)</u>	<u>480</u>
Net change in fund balance	(257,991)	<u>\$-0-</u>	(257,991)	(65,319)	<u>\$192,672</u>
Fund balance - beginning	<u>(2,093)</u>		<u>(2,093)</u>	<u>(2,093)</u>	
Fund balance - ending	<u>\$ (260,084)</u>		<u>\$ (260,084)</u>	<u>\$ (67,412)</u>	

The accompanying notes are an integral
part of the financial statements

COMPLIANCE AND INTERNAL CONTROL REPORTING IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

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



**KREHBIEL
& ASSOCIATES, LLC**

Certified Public Accountants

E-MAIL AT cpa@krehbielcpa.com

124

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

1100 South Mill Street
Nashville, Illinois 62263
618-327-8042 Fax 327-8052

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

INDEPENDENT AUDITOR'S
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, 2022, 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 December 28, 2022.

Report on 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify the following deficiency in internal control that we consider to be a material weakness.

Internal Control Over Financial Statement Preparation

Criteria: Proper controls over financial reporting include the ability to prepare financial statements and accompanying notes to the financial statements that are materially correct and include all required disclosures.

Condition: The City does not have an internal control system designed to provide preparation of the full financial statements being audited. As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements.

Cause: The City has limited staff to prepare full disclosure financial statements and the present staff does not possess adequate training, knowledge and expertise to prepare full disclosure financial statements.

Effect: There is a reasonable possibility that the City would not be able to draft the financial statements and accompanying notes to the financial statements that are correct without the assistance of the auditors.

In response to the material weaknesses described above, the City of Mt. Vernon, Illinois' management stated the following:

Preparation of Financial Statements: While the council and staff reviews, approves and accepts responsibility for the financial statements and related notes, they do not possess the time or resources to independently draft the financial statements and feel it would be cost prohibitive to perform this function internally.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mt. Vernon, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of


financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Mt. Vernon, Illinois' Response to Findings

The City of Mt. Vernon, Illinois' response to the finding identified in our audit is described previously. The City of Mt. Vernon, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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


Mt. Vernon, IL
December 28, 2022

EXPENDITURES OF FEDERAL AWARDS

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



**KREHBIEL
& ASSOCIATES, LLC**

Certified Public Accountants

E-MAIL AT cpa@krehbielcpa.com

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

1100 South Mill Street
 Nashville, Illinois 62263
 618-327-8042 Fax 327-8052

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

INDEPENDENT AUDITOR'S
 REPORT ON COMPLIANCE FOR EACH
 MAJOR PROGRAM AND ON INTERNAL
 CONTROL OVER COMPLIANCE REQUIRED
 BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Mt. Vernon, Illinois' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Mt. Vernon, Illinois' major federal programs for the year ended April 30, 2022. The City of Mt. Vernon, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Mt. Vernon, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Mt. Vernon, Illinois and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Mt. Vernon, Illinois' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Mt. Vernon, Illinois' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Mt. Vernon, Illinois' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Mt. Vernon, Illinois' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Mt. Vernon, Illinois' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Mt. Vernon, Illinois' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Mt. Vernon, Illinois' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to

prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Mt. Vernon, IL
December 28, 2022

CITY OF MT. VERNON, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended April 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Federal Grantor's Number	Pass-Through Entity's Identifying Number	Award Amount	Current Year Federal Expenditures	Expenditures to Subrecipients
<u>U.S. Department of Justice</u>						
Bulletproof Vest Partnership Program	16.607	None	N/A	\$ 4,058	\$ -0-	\$-0-
Bulletproof Vest Partnership Program	16.607	None	N/A	\$ 3,158	1,826	-0-
Total U.S. Department of Justice					<u>1,826</u>	<u>-0-</u>
<u>U.S. Department of Homeland Security</u>						
<i>Passed-through Illinois Emergency Management Agency</i>						
Emergency Management Performance Grants - Year 2021	97.042	21EMAMTVER	N/A	\$ 20,489	20,489	-0-
Total U.S. Department of Homeland Security					<u>20,489</u>	<u>-0-</u>
<u>U.S. Department of Housing and Urban Development</u>						
<i>Passed-through Illinois Department of Commerce and Economic Opportunity</i>						
<i>Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii</i>						
CDAP Housing Rehab Grant - Year 2019	14.228	18-243005	N/A	\$ 450,000	450,000	-0-
Total U.S. Department of Housing and Urban Development					<u>450,000</u>	<u>-0-</u>
<u>Environmental Protection Agency</u>						
<i>Passed-through Illinois Environmental Protection Agency</i>						
Replace Lift Station #14 and Forcemain	66.458	L174664	N/A	\$ 743,978	495,584	-0-
Phase 2 PWS Renovation	66.468	L175590	N/A	400,000	-0-	-0-
Replace Lift Station #1 and Forcemain	66.458	L173677	N/A	1,526,579	293,277	-0-
Total Illinois Environmental Protection Agency					<u>788,861</u>	<u>-0-</u>
<u>U.S Department of Treasury</u>						
<i>Passed-through Illinois Department of Commerce and Economic Opportunity</i>						
American Rescue Plan Act	21.027	None	N/A	\$2,003,574	-0-	-0-
Total U.S. Department of Treasury					<u>-0-</u>	<u>-0-</u>
Total Federal Financial Assistance					<u>\$1,261,176</u>	<u>\$-0-</u>

The accompanying notes are an integral part of this schedule.

CITY OF MT. VERNON, ILLINOIS
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 April 30, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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

Basis of Accounting

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

Relationship to General Purpose Financial Statements

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

Relationship to Program Financial Reports

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

Note 2. FEDERAL LOANS

The City had the following loan balances or loan guarantees at April 30, 2022.

	**Total Loan Award Amount	Total Forgiveness Since Award	Prior Years' Forgiveness	Current Year's Foregiveness	Loan Balance as of 4/30/2022
Replace Lift Station #14 and Forcemain	\$2,479,927	\$ 743,978	\$ 248,394	\$495,584	\$ 816,240
Phase 2 PWS Renovation	2,676,774	400,000	400,000	-0-	1,741,225
Replace Lift Station #1 and Forcemain	5,088,598	1,526,579	1,233,302	293,277	-0-

**All award amounts have not currently been disbursed to the City. The reported loan balance is award amounts received less award forgiven less any principal payments made.

Note 3. INDIRECT COST RATE

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

Note 4. NONCASH FEDERAL ASSISTANCE

The City received no noncash assistance, such as rent, food commodities, or donated property (including donated surplus property) as of April 30, 2022.

CITY OF MT. VERNON, ILLINOIS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 April 30, 2022

A. SUMMARY OF AUDITOR'S RESULTS

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

<u>AL Numbers</u>	<u>Name of Federal Program</u>
14.228	CDAP Housing Rehab Grant
66.458	IEPA Lift Station #14 Replacement and Force Main
66.458	IEPA 2020 Sanitary Server Design

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

CITY OF MT. VERNON, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
April 30, 2022

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings or questioned costs relating to the audit of the financial statements for the year ended April 30, 2022, which are required to be reported in accordance with *Government Auditing Standards*. No corrective action plan is required because there were no findings required to be reported under the Federal Single Audit Act.

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

There were no findings or questioned costs relating to the audit of the major federal award programs for the year ended April 30, 2022, which are required to be reported in accordance with Title 2 U.S. Code of *Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). No corrective action plan is required because there were no findings required to be reported under the Federal Single Audit Act.

CITY OF MT. VERNON, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
April 30, 2022

A. FINDINGS - FINANCIAL STATEMENTS AUDIT

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

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

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

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

CITY OF MT. VERNON, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 April 30, 2022

	Convention and Visitors' Bureau	Special Service Area Number One	TIF Rt 15 and I-57	TIF Industrial Park	Pension Sales Tax	Community Development Assistance Program	Total Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	\$157,409	\$ 8,194	\$205,623	\$ 570,522	\$1,891,931	\$-0-	\$2,833,679
Receivables:							
Accounts, net	51,032	-0-	-0-	556,583	-0-	-0-	607,615
Due from other funds	22,227	7,523	-0-	-0-	-0-	-0-	29,750
Due from other governments and their agencies	-0-	-0-	-0-	-0-	190,859	-0-	190,859
Property and replacement taxes, net	-0-	-0-	329,670	-0-	736,008	-0-	1,065,678
Inventories	1,380	-0-	-0-	-0-	-0-	-0-	1,380
Total Assets	<u>\$232,048</u>	<u>\$15,717</u>	<u>\$535,293</u>	<u>\$1,127,105</u>	<u>\$2,818,798</u>	<u>\$-0-</u>	<u>\$4,728,961</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Payables							
Accounts	\$ 63,878	\$ 4,533	\$ -0-	\$ (79)	\$ -0-	\$-0-	\$ 68,332
Payroll and related liabilities	15,866	-0-	-0-	-0-	-0-	-0-	15,866
Due to other funds	-0-	-0-	-0-	-0-	1,126,635	-0-	1,126,635
Total liabilities	<u>79,744</u>	<u>4,533</u>	<u>-0-</u>	<u>(79)</u>	<u>1,126,635</u>	<u>-0-</u>	<u>1,210,833</u>
Deferred inflows of resources							
Deferred revenue	-0-	-0-	329,670	556,583	736,007	-0-	1,622,260
Fund balances							
Nonspendable							
Inventories	1,380	-0-	-0-	-0-	-0-	-0-	1,380
Committed:							
Community development	-0-	-0-	205,623	570,601	-0-	-0-	776,224
Convention and Visitors Bureau Fund	150,924	-0-	-0-	-0-	-0-	-0-	150,924
Telecomm Tax	-0-	-0-	-0-	-0-	956,156	-0-	956,156
Unassigned, reported in:							
Special revenue funds	-0-	11,184	-0-	-0-	-0-	-0-	11,184
Total fund balances	<u>152,304</u>	<u>11,184</u>	<u>205,623</u>	<u>570,601</u>	<u>956,156</u>	<u>-0-</u>	<u>1,895,868</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$232,048</u>	<u>\$15,717</u>	<u>\$535,293</u>	<u>\$1,127,105</u>	<u>\$2,818,798</u>	<u>\$-0-</u>	<u>\$4,728,961</u>

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

CITY OF MT. VERNON, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended April 30, 2022

	Convention and Visitors' Bureau	Special Service Area Number One	TIF RT 15 and I-57	TIF Industrial Park	Pension Sales Tax	Community Development Assistance Program	Total Nonmajor Governmental Funds
<u>Revenues:</u>							
Sales taxes	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,177,512	\$ -0-	\$ 1,177,512
Hotel/motel taxes	428,682	-0-	-0-	-0-	-0-	-0-	428,682
Property taxes levied for general purposes	-0-	74,545	329,915	549,897	-0-	-0-	954,357
Property taxes levied for employee benefits	-0-	-0-	-0-	-0-	739,167	-0-	739,167
Unrestricted investment income	165	3	396	1,077	4,151	-0-	5,792
Miscellaneous	1,122	-0-	-0-	-0-	-0-	-0-	1,122
Operating grants and contributions	118,680	-0-	-0-	-0-	-0-	-0-	118,680
Capital grants and contributions	-0-	-0-	-0-	-0-	-0-	450,000	450,000
Charges for services	1,938	-0-	-0-	-0-	-0-	-0-	1,938
Total revenues	<u>550,587</u>	<u>74,548</u>	<u>330,311</u>	<u>550,974</u>	<u>1,920,830</u>	<u>450,000</u>	<u>3,877,250</u>
<u>Expenditures:</u>							
Current							
General government	-0-	-0-	-0-	-0-	19,388	-0-	19,388
Culture and recreation	550,837	-0-	-0-	-0-	-0-	-0-	550,837
Community development	-0-	81,650	268,232	286,555	-0-	450,000	1,086,437
Debt service							
Interest and fiscal charges	-0-	-0-	-0-	10,318	-0-	-0-	10,318
Total expenditures	<u>550,837</u>	<u>81,650</u>	<u>268,232</u>	<u>296,873</u>	<u>19,388</u>	<u>450,000</u>	<u>1,666,980</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(250)</u>	<u>(7,102)</u>	<u>62,079</u>	<u>254,101</u>	<u>1,901,442</u>	<u>-0-</u>	<u>2,210,270</u>
<u>Other financing sources (uses):</u>							
Transfers (to)/from other funds	22,227	7,523	(4,000)	(5,000)	(1,111,207)	-0-	(1,090,457)
Principle paid on long-term debt	-0-	-0-	-0-	(24,083)	-0-	-0-	(24,083)
Net other financing sources (uses)	<u>22,227</u>	<u>7,523</u>	<u>(4,000)</u>	<u>(29,083)</u>	<u>(1,111,207)</u>	<u>-0-</u>	<u>(1,114,540)</u>
Net change in fund balances	21,977	421	58,079	225,018	790,235	-0-	1,095,730
Fund balances - beginning	<u>130,327</u>	<u>10,763</u>	<u>147,544</u>	<u>345,583</u>	<u>165,921</u>	<u>-0-</u>	<u>800,138</u>
Fund balances - ending	<u>\$152,304</u>	<u>\$11,184</u>	<u>\$205,623</u>	<u>\$570,601</u>	<u>\$ 956,156</u>	<u>\$ -0-</u>	<u>\$ 1,895,868</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, 2022

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Hotel/motel taxes	\$ 327,233	\$-0-	\$ 327,233	\$428,682	\$101,449
Property taxes levied for employee benefits	33,688	-0-	33,688	-0-	(33,688)
Unrestricted investment income	-0-	-0-	-0-	165	165
Miscellaneous	900	-0-	900	1,122	222
Operating grants and contributions	56,945	-0-	56,945	118,680	61,735
Charges for services	-0-	-0-	-0-	1,938	1,938
Total revenues	<u>418,766</u>	<u>-0-</u>	<u>418,766</u>	<u>550,587</u>	<u>131,821</u>
<u>Expenditures:</u>					
Current					
Culture and recreation	577,117	-0-	577,117	550,837	26,280
Total expenditures	<u>577,117</u>	<u>-0-</u>	<u>577,117</u>	<u>550,837</u>	<u>26,280</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>(158,351)</u>	<u>-0-</u>	<u>(158,351)</u>	<u>(250)</u>	<u>158,101</u>
<u>Other financing sources (uses):</u>					
Transfers (to)/from other funds	-0-	-0-	-0-	22,227	22,227
Net other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>22,227</u>	<u>22,227</u>
Net change in fund balance	(158,351)	<u>\$-0-</u>	(158,351)	21,977	<u>\$180,328</u>
Fund balance - beginning	<u>130,327</u>		<u>130,327</u>	<u>130,327</u>	
Fund balance - ending	<u>\$ (28,024)</u>		<u>\$ (28,024)</u>	<u>\$152,304</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, 2022

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$76,500	\$-0-	\$76,500	\$74,545	\$(1,955)
Unrestricted investment income	20	-0-	20	3	(17)
Total revenues	<u>76,520</u>	<u>-0-</u>	<u>76,520</u>	<u>74,548</u>	<u>(1,972)</u>
<u>Expenditures:</u>					
Current					
Community development	76,770	-0-	76,770	81,650	(4,880)
Total expenditures	<u>76,770</u>	<u>-0-</u>	<u>76,770</u>	<u>81,650</u>	<u>(4,880)</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>(250)</u>	<u>-0-</u>	<u>(250)</u>	<u>(7,102)</u>	<u>(6,852)</u>
<u>Other financing sources (uses):</u>					
Transfers to other funds	-0-	-0-	-0-	7,523	7,523
Net other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>7,523</u>	<u>7,523</u>
Net change in fund balance	(250)	<u>\$-0-</u>	(250)	421	<u>\$ 671</u>
Fund balance - beginning	<u>10,763</u>		<u>10,763</u>	<u>10,763</u>	
Fund balance - ending	<u>\$10,513</u>		<u>\$10,513</u>	<u>\$11,184</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, 2022

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Amended Budget</u>	<u>Total Actual</u>	<u>Revenue Over/ (Under) Expenditure (Over)/Under Variance</u>
<u>Revenues:</u>					
Property taxes levied for general purposes	\$326,105	\$-0-	\$326,105	\$329,915	\$3,810
Unrestricted investment income	74	-0-	74	396	322
Total revenues	<u>326,179</u>	<u>-0-</u>	<u>326,179</u>	<u>330,311</u>	<u>4,132</u>
<u>Expenditures:</u>					
Current					
Community development	271,533	-0-	271,533	268,232	3,301
Total expenditures	<u>271,533</u>	<u>-0-</u>	<u>271,533</u>	<u>268,232</u>	<u>3,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,646</u>	<u>-0-</u>	<u>54,646</u>	<u>62,079</u>	<u>7,433</u>
<u>Other financing sources (uses):</u>					
Transfers to other funds	(4,000)	-0-	(4,000)	(4,000)	-0-
Net other financing sources (uses)	<u>(4,000)</u>	<u>-0-</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>-0-</u>
Net change in fund balance	50,646	<u>\$-0-</u>	50,646	58,079	<u>\$7,433</u>
Fund balance - beginning	<u>147,544</u>		<u>147,544</u>	<u>147,544</u>	
Fund balance - ending	<u>\$198,190</u>		<u>\$198,190</u>	<u>\$205,623</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, 2022

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$533,294	\$-0-	\$533,294	\$549,897	\$ 16,603
Unrestricted investment income	100	-0-	100	1,077	977
Total revenues	<u>533,394</u>	<u>-0-</u>	<u>533,394</u>	<u>550,974</u>	<u>17,580</u>
<u>Expenditures:</u>					
Current					
Community development	555,686	-0-	555,686	286,555	269,131
Debt service					
Interest and fiscal charges	10,314	-0-	10,314	10,318	(4)
Total expenditures	<u>566,000</u>	<u>-0-</u>	<u>566,000</u>	<u>296,873</u>	<u>269,127</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,606)</u>	<u>-0-</u>	<u>(32,606)</u>	<u>254,101</u>	<u>286,707</u>
<u>Other financing sources (uses):</u>					
Transfers to other funds	(5,000)	-0-	(5,000)	(5,000)	-0-
Principal paid on long-term debt	(24,083)	-0-	(24,083)	(24,083)	-0-
Net other financing sources (uses)	<u>(29,083)</u>	<u>-0-</u>	<u>(29,083)</u>	<u>(29,083)</u>	<u>-0-</u>
Net change in fund balance	(61,689)	<u>\$-0-</u>	(61,689)	225,018	<u>\$286,707</u>
Fund balance - beginning	<u>345,583</u>		<u>345,583</u>	<u>345,583</u>	
Fund balance - ending	<u>\$283,894</u>		<u>\$283,894</u>	<u>\$570,601</u>	

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

CITY OF MT. VERNON, ILLINOIS
 COMMUNITY DEVELOPMENT ASSISTANCE PROGRAM
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GAAP BASIS
 GOVERNMENTAL FUNDS
 Year Ended April 30, 2022

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Amended Budget</u>	<u>Total Actual</u>	<u>Revenue Over/ (Under) Expenditure (Over) /Under Variance</u>
<u>Revenues:</u>					
Capital grants and contribution	\$450,000	\$-0-	\$450,000	\$450,000	\$-0-
Total revenues	<u>450,000</u>	<u>-0-</u>	<u>450,000</u>	<u>450,000</u>	<u>-0-</u>
<u>Expenditures:</u>					
Current					
Community development	450,000	-0-	450,000	450,000	-0-
Total expenditures	<u>450,000</u>	<u>-0-</u>	<u>450,000</u>	<u>450,000</u>	<u>-0-</u>
Net change in fund balance	-0-	<u>\$-0-</u>	-0-	-0-	<u>\$-0-</u>
Fund balance - beginning	<u>-0-</u>		<u>-0-</u>	<u>-0-</u>	
Fund balance - ending	<u>\$ -0-</u>		<u>\$ -0-</u>	<u>\$ -0-</u>	

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

CITY OF MT. VERNON, ILLINOIS
PENSION SALES TAX FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS
GOVERNMENTAL FUNDS
Year Ended April 30, 2022

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/ (Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Sales taxes	\$ 910,175	\$-0-	\$ 910,175	\$ 1,177,512	\$267,337
Property taxes levied for employee benefits	734,857	-0-	734,857	739,167	4,310
Unrestricted investment income	300	-0-	300	4,151	3,851
Total revenues	<u>1,645,332</u>	<u>-0-</u>	<u>1,645,332</u>	<u>1,920,830</u>	<u>275,498</u>
<u>Expenditures:</u>					
Current					
General government	1,600	-0-	1,600	19,388	(17,788)
Total expenditures	<u>1,600</u>	<u>-0-</u>	<u>1,600</u>	<u>19,388</u>	<u>(17,788)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,643,732</u>	<u>-0-</u>	<u>1,643,732</u>	<u>1,901,442</u>	<u>257,710</u>
<u>Other financing sources (uses):</u>					
Transfers to other funds	(1,271,689)	-0-	(1,271,689)	(1,111,207)	160,482
Net other financing sources (uses)	<u>(1,271,689)</u>	<u>-0-</u>	<u>(1,271,689)</u>	<u>(1,111,207)</u>	<u>160,482</u>
Net change in fund balance	372,043	<u>\$-0-</u>	372,043	790,235	<u>\$418,192</u>
Fund balance - beginning	<u>165,921</u>		<u>165,921</u>	<u>165,921</u>	
Fund balance - ending	<u>\$ 537,964</u>		<u>\$ 537,964</u>	<u>\$ 956,156</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, 2022 and 2021

	2022	2021
<u>ASSETS</u>		
Cash and cash equivalents	\$ 8,340,403	\$ 7,237,554
Investments	-0-	355
Receivables:		
Accounts, net	46,633	46,334
Notes	17,890	40,478
Due from other funds	870,927	251,580
Due from other governments and their agencies	2,650,825	2,024,526
Property and replacement taxes, net	446,429	441,331
Prepaid expenses	10,144	4,451
Restricted assets	328,489	320,107
 Total Assets	 \$12,711,740	 \$10,366,716
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
Liabilities		
Payables:		
Accounts	\$ 848,111	\$ 410,279
Payroll and related liabilities	896,408	833,056
Liabilities payable from restricted assets	82,154	101,301
Total liabilities	1,826,673	1,344,636
 Deferred inflows of resources		
Deferred revenue	678,474	650,594
 Fund balances		
Nonspendable:		
Prepaid expenses	1,885	3,523
Restricted:		
Dare donations - Police (General Corporate)	447	447
DUI (General Corporate)	103,324	100,247
Federal Drug Force (General Corporate)	29,351	29,351
State/Local drug (General Corporate)	49,156	36,411
Anti-crime FNS	50,738	49,054
Park donations	3,187	3,187
Liquor ordinance fines	10,132	109
Unassigned, reported in:		
General Corporate	9,958,373	8,149,157
Total fund balances	10,206,593	8,371,486
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$12,711,740	 \$10,366,716

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

CITY OF MT. VERNON, ILLINOIS
GENERAL CORPORATE FUND
COMPARATIVE INCOME STATEMENTS
April 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Revenues:</u>		
Sales taxes	\$11,753,914	\$ 9,910,986
Use taxes	577,366	687,268
Hotel/motel taxes	1,065,509	711,307
Property taxes levied for general purposes	288,694	287,007
Property taxes levied for employee benefits	-0-	665,695
Franchise taxes	132,626	137,982
Public service taxes	3,803,653	2,668,785
Unrestricted investment income	19,882	34,948
Miscellaneous	62,523	48,559
Operating grants and contributions	22,094	757,152
Charges for services	1,093,821	695,426
Total revenues	<u>18,820,082</u>	<u>16,605,115</u>
<u>Expenditures:</u>		
Current		
General government	3,302,588	3,230,868
Public safety		
Police	5,188,271	4,963,891
Fire	3,420,103	3,108,730
Public works	1,733,619	1,590,239
Engineering services	394,832	390,067
Culture and recreation	942,669	845,944
Debt service		
Principal retirement	124,950	120,323
Interest and fiscal charges	14,801	19,429
Total expenditures	<u>15,121,833</u>	<u>14,269,491</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,698,249</u>	<u>2,335,624</u>
<u>Other financing sources (uses):</u>		
Transfers from other funds	-0-	674,709
Transfers to other funds	(2,275,863)	(708,550)
Sale of assets	12,300	238,257
Net other financing sources (uses)	<u>(2,263,563)</u>	<u>204,416</u>
Net change in fund balances	1,434,686	2,540,040
Fund balances - beginning	8,371,486	5,831,446
Cumulative change in accounting principle - See Note 13	<u>400,421</u>	<u>-0-</u>
Fund balances - ending	<u>\$10,206,593</u>	<u>\$ 8,371,486</u>

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

SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL STATEMENTS

Proprietary Funds

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

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 WATER FUND
 COMPARATIVE STATEMENTS OF NET POSITION
 April 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,487,861	\$ 625,243
Investments	-0-	2,882
Receivables:		
Accounts, net	477,540	488,079
Interest	713	713
Due from other governments and their agencies	-0-	415,000
Inventories	183,058	100,279
Prepaid expenses	41,688	43,998
Total current assets	<u>2,190,860</u>	<u>1,676,194</u>
Restricted assets:		
Cash and cash equivalents	299,528	293,434
Total restricted assets	<u>299,528</u>	<u>293,434</u>
Noncurrent assets:		
Property and equipment	17,915,015	16,126,097
Other capital assets	119,333	29,352
Net pension obligation (assets)	972,904	255,039
Total noncurrent assets	<u>19,007,252</u>	<u>16,410,488</u>
Total Assets	<u>\$21,497,640</u>	<u>\$18,380,116</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
Liabilities		
Current liabilities:		
Payables:		
Accounts	\$ 282,396	\$ 388,606
Payroll and related liabilities	162,219	153,383
Accrued interest payable	60,881	126,362
Due to other funds	216	216
Total current liabilities	<u>505,712</u>	<u>668,567</u>
Liabilities payable from restricted assets:		
Accounts payable and accrued liabilities	299,528	293,434
Total liabilities payable from restricted assets	<u>299,528</u>	<u>293,434</u>
Noncurrent liabilities:		
General obligation bonds, net, and general long-term debt	8,727,594	7,941,253
Net other post employment benefits obligation	760,914	916,424
Total noncurrent liabilities	<u>9,488,508</u>	<u>8,857,677</u>
Total liabilities	<u>10,293,748</u>	<u>9,819,678</u>
Deferred inflows of resources		
Deferred pension credits	1,191,384	764,759
Deferred revenue	72,058	72,487
Total deferred inflows of resources	<u>1,263,442</u>	<u>837,246</u>
Net position		
Net investment in capital assets	10,197,496	9,182,274
Committed for:		
Restricted revenue	(167,764)	(96,821)
Unrestricted	(89,282)	(1,362,261)
Total net position	<u>9,940,450</u>	<u>7,723,192</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$21,497,640</u>	<u>\$18,380,116</u>

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

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 WATER FUNDS
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 Years Ended April 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues		
User charges	\$4,933,675	\$4,782,566
Other operating revenues	41,073	31,908
Total operating revenues	<u>4,974,748</u>	<u>4,814,474</u>
Operating expenses		
Administration	1,149,449	1,363,691
Cost of sales and services	2,095,275	2,027,238
Depreciation	649,534	535,454
Total operating expenses	<u>3,894,258</u>	<u>3,926,383</u>
Operating income	<u>1,080,490</u>	<u>888,091</u>
Non-operating revenues (expenses)		
Non-operating revenues	74,534	112,024
Property tax revenue	-0-	38,200
Interest and fiscal charges - bonds	(162,898)	(315,711)
Gain on withdrawal of assets from service	-0-	26,150
Total non-operating revenues (expenses)	<u>(88,364)</u>	<u>(139,337)</u>
Income before contributions and transfers	992,126	748,754
Capital contributions	25	763,290
Transfers from other funds	<u>1,225,107</u>	<u>1,037,095</u>
Change in net position	2,217,258	2,549,139
Net position - beginning	<u>7,723,192</u>	<u>5,174,053</u>
Net position - ending	<u>\$9,940,450</u>	<u>\$7,723,192</u>

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

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 WATER FUND
 COMPARATIVE STATEMENTS OF CASH FLOWS
 Years Ended April 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Cash received from customers	\$ 4,949,875	\$ 4,873,696
Cash payments to suppliers for goods and services	(2,723,325)	(2,529,322)
Cash payments to employees and professional contractors for services	(1,145,988)	(1,232,209)
Other operating revenues	41,074	31,908
Net cash provided by operating activities	<u>1,121,636</u>	<u>1,144,073</u>
Cash flows from noncapital financing activities		
Transfers from other funds	1,225,107	1,037,095
Other non-operating revenues	415,025	40,575
Net cash provided by noncapital financing activities	<u>1,640,132</u>	<u>1,077,670</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(2,528,433)	(1,946,530)
Proceeds from sale of assets	-0-	26,150
Interest and fiscal charges paid	(304,452)	(343,394)
Proceeds from issuance of long-term debt	1,741,225	6,170,487
Principal paid on revenue bonds	(878,815)	(6,735,168)
Capital contributions	-0-	1,134,999
Net cash (used for) capital and related financing activities	<u>(1,970,475)</u>	<u>(1,693,456)</u>
Cash flows from investing activities		
Interest and customer penalty income received	77,419	70,428
Net cash provided by investing activities	<u>77,419</u>	<u>70,428</u>
Cash flows from nonexchange activities		
Property tax revenue	-0-	38,200
Net cash provided by nonexchange activities	<u>-0-</u>	<u>38,200</u>
Net increase in cash and cash equivalents	868,712	636,915
Cash and cash equivalents at May 1, 2021 and May 1, 2020	<u>918,677</u>	<u>281,762</u>
Cash and cash equivalents at April 30, 2022 and April 30, 2021	<u>\$ 1,787,389</u>	<u>\$ 918,677</u>
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	\$ 1,487,861	\$ 625,243
Restricted assets - cash and cash equivalents	299,528	293,434
Total cash and cash equivalents	<u>\$ 1,787,389</u>	<u>\$ 918,677</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 WATER FUND
 COMPARATIVE STATEMENTS OF CASH FLOWS
 Years Ended April 30, 2022 and 2021

	2022	2021
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income	\$1,080,490	\$ 888,091
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	649,534	535,454
Changes in assets and liabilities		
Decrease in accounts receivable	10,539	-0-
(Increase) in inventories	(82,779)	-0-
Decrease in prepaid expenses	2,310	-0-
Decrease in deferred pension charges	426,625	-0-
(Decrease) in accounts payable	(106,210)	-0-
Increase in payroll and related liabilities payable	8,836	-0-
(Decrease) in deferred revenue	(428)	-0-
(Decrease) in net pension obligation	(717,865)	-0-
(Decrease) in net other post employment benefits	(155,510)	-0-
Increase in customer deposits payable	6,094	-0-
Total adjustments	41,146	535,454
Net cash provided by operating activities	\$1,121,636	\$1,423,545
Noncash investing, capital, and financing activities		
Capital assets contributed	\$ 25	\$ 763,290
Total noncash investing, capital, and financing activities	\$ 25	\$ 763,290

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

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 SEWER FUND
 COMPARATIVE STATEMENTS OF NET POSITION
 April 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 4,045,531	\$ 3,222,451
Receivables:		
Accounts, net	352,035	350,168
Interest	293,277	248,394
Prepaid expenses	49,538	39,356
Total current assets	<u>4,740,381</u>	<u>3,860,369</u>
Noncurrent assets:		
Property and equipment	14,464,996	12,507,353
Net pension obligation (asset)	307,810	66,440
Total noncurrent assets	<u>14,772,806</u>	<u>12,573,793</u>
Total Assets	<u>\$19,513,187</u>	<u>\$16,434,162</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
Liabilities		
Current liabilities:		
Payables:		
Accounts	\$ 333,061	\$ 407,673
Payroll and related liabilities	29,000	20,276
Accrued interest payable	1,475	1,874
Total current liabilities	<u>363,536</u>	<u>429,823</u>
Noncurrent liabilities:		
General obligation bonds, net, and general long-term debt	957,716	179,689
Net other post employment benefits obligation	163,278	196,648
Total noncurrent liabilities	<u>1,120,994</u>	<u>367,337</u>
Total liabilities	<u>1,484,530</u>	<u>806,160</u>
Deferred inflows of resources		
Deferred pension credits	352,950	192,600
Total deferred inflows of resources	<u>352,950</u>	<u>192,600</u>
Net position		
Net invested in capital assets	13,507,280	12,327,664
Committed for:		
Restricted revenue	4,473,634	3,261,925
Unrestricted	(305,207)	(154,187)
Total net position	<u>17,675,707</u>	<u>15,435,402</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$19,513,187</u>	<u>\$16,434,162</u>

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

CITY OF MT VERNON, ILLINOIS
 PROPRIETARY FUNDS
 SEWER FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET POSITION
 Years Ended April 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues		
User charges	\$ 3,469,278	\$ 3,245,562
Other operating revenue	35,330	27,417
Total operating revenues	<u>3,504,608</u>	<u>3,272,979</u>
Operating expenses		
Administration	909,500	854,616
Cost of sales and services	2,102,098	2,279,655
Depreciation	731,017	641,012
Total operating expenses	<u>3,742,615</u>	<u>3,775,283</u>
Operating (loss)	(238,007)	(502,304)
Non-operating revenue (expenses)		
Non-operating revenues	76,206	64,275
Interest and fiscal charges - bonds	(3,856)	(4,804)
Gain on withdrawal of assets from service	-0-	30
Total non-operating revenue (expenses)	<u>72,350</u>	<u>59,501</u>
(Loss) before contributions and transfers	(165,657)	(442,803)
Capital contributions	788,861	248,394
Transfers from other funds	<u>1,617,101</u>	<u>1,020,571</u>
Change in net position	2,240,305	826,162
Net position - beginning	<u>15,435,402</u>	<u>14,609,240</u>
Net position - ending	<u>\$17,675,707</u>	<u>\$15,435,402</u>

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

CITY OF MT. VERNON, ILLINOIS
PROPERTY FUNDS
SEWER FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended April 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Cash received from customers	\$ 3,466,735	\$ 3,300,619
Cash payments to suppliers for goods and services	(2,856,428)	(2,880,920)
Cash payments to employees and professional contractors for services	(345,632)	(303,241)
Other operating revenues	36,005	28,617
Net cash provided by operating activities	<u>300,680</u>	<u>145,075</u>
Cash flows from noncapital financing activities		
Transfers from other funds	1,617,101	1,020,571
Other nonoperating revenues	743,978	-0-
Net cash provided by noncapital financing activities	<u>2,361,079</u>	<u>1,020,571</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(2,688,660)	(764,873)
Proceeds from other governments and their agencies	-0-	30
Interest and fiscal charges paid	(4,255)	(5,194)
Proceeds from issuance of long-term debt	816,240	-0-
Principal paid on revenue bonds	(38,213)	(37,275)
Net cash (used for) capital and related financing activities	<u>(1,914,888)</u>	<u>(807,312)</u>
Cash flows from investing activities		
Interest and customer penalty income received	76,209	64,276
Net cash provided by investing activities	<u>76,209</u>	<u>64,276</u>
Net increase in cash and cash equivalents	823,080	422,610
Cash and cash equivalents at May 1, 2021 and May 1, 2020	<u>3,222,451</u>	<u>2,799,841</u>
Cash and cash equivalents at April 30, 2022 and 2021	4,045,531	3,222,451
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	4,045,531	3,222,451
Total cash and cash equivalents	<u>4,045,531</u>	<u>3,222,451</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating (loss)	(238,007)	(502,304)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	731,017	641,012
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(1,867)	56,257
(Increase) in prepaid expenses	(10,182)	(11,612)
Decrease in deferred pension changes	160,350	152,308
(Decrease) increase in accounts payable	(74,612)	39,241
Increase (decrease) in payroll and related liabilities payable	8,721	(5,294)
(Decrease) in net pension obligation	(241,370)	(145,308)
(Decrease) in net other post employment benefits	(33,370)	(79,225)
Total adjustments	<u>538,687</u>	<u>647,379</u>
Net cash provided by operating activities	<u>\$ 300,680</u>	<u>\$ 145,075</u>
Non-cash investing, capital, and financing activities		
Capital assets contributed	\$ -0-	\$ 763,290
Total non-cash investing, capital, and financing activities	<u>\$ -0-</u>	<u>\$ 763,290</u>

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

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 SANITATION
 COMPARATIVE STATEMENTS OF NET POSITION
 April 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 74,706	\$133,201
Receivables:		
Accounts, net	69,357	68,656
Due from other funds	216	216
Total current assets	<u>144,279</u>	<u>202,073</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>\$184,279</u>	 <u>\$242,073</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities		
Current liabilities:		
Payable		
Accounts	\$ 98,036	\$ 95,161
Total current liabilities	<u>98,036</u>	<u>95,161</u>
Total liabilities	<u>98,036</u>	<u>95,161</u>
 Net position		
Invested in capital assets, net of related debt	40,000	40,000
Unrestricted	<u>46,243</u>	<u>106,912</u>
Total net position	<u>86,243</u>	<u>146,912</u>
 Total Liabilities and Fund Balances	 <u>\$184,279</u>	 <u>\$242,073</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues		
User charges	\$1,132,313	\$1,155,249
Total operating revenues	<u>1,132,313</u>	<u>1,155,249</u>
Operating expenses		
Administration	31,285	29,739
Cost of sales and services	1,161,909	1,157,783
Total operating expenses	<u>1,193,194</u>	<u>1,187,522</u>
Operating (loss)	(60,881)	(32,273)
Non-operating revenues		
Non-operating revenues	<u>212</u>	<u>185</u>
Total non-operating revenues	<u>212</u>	<u>185</u>
Change in net position	(60,669)	(32,088)
Net position - beginning	<u>146,912</u>	<u>179,000</u>
Net position - ending	<u>\$ 86,243</u>	<u>\$ 146,912</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Cash received from customers	\$ 1,131,612	\$ 1,163,946
Cash payments to suppliers for goods and services	(1,187,631)	(1,183,769)
Cash payments to employees and professional contractors for services	(2,687)	(2,462)
Net cash (used for) operating activities	<u>(58,706)</u>	<u>(22,285)</u>
Cash flows from investing activities		
Interest and customer penalty income received	211	185
Net cash provided by investing activities	<u>211</u>	<u>185</u>
Net (decrease) in cash and cash equivalents	(58,495)	(22,100)
Cash and cash equivalents at May 1, 2021 and May 1, 2020	<u>133,201</u>	<u>155,301</u>
Cash and cash equivalents at April 30, 2022 and April 30, 2021	<u>\$ 74,706</u>	<u>\$ 133,201</u>
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	\$ 74,706	\$ 133,201
Total cash and cash equivalents	<u>\$ 74,706</u>	<u>\$ 133,201</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating (loss)	\$ (60,881)	\$ (32,273)
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	(701)	8,697
Increase in accounts payable	2,876	1,291
Total adjustments	<u>2,175</u>	<u>9,988</u>
Net cash (used for) operating activities	<u>\$ (58,706)</u>	<u>\$ (22,285)</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Governmental funds capital assets		
Land	\$ 6,096,015	\$ 6,050,257
Buildings	6,544,086	6,544,086
Office furniture and equipment	1,290,794	1,290,794
Machinery and equipment	5,512,852	4,638,496
Licensed vehicles	7,202,704	6,938,040
Infrastructure	<u>64,247,101</u>	<u>62,123,250</u>
Total governmental funds capital assets	<u>\$90,893,552</u>	<u>\$87,584,923</u>
Investments in governmental funds capital assets by source		
General corporate fund	\$24,294,896	\$24,285,582
Special revenue funds	65,671,377	62,372,062
Donations	<u>927,279</u>	<u>927,279</u>
Total governmental funds capital assets	<u>\$90,893,552</u>	<u>\$87,584,923</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, 2022

Function and Activity	Governmental Funds Capital Assets 4/30/21	Additions	Deductions	Transfers Between Governmental Activities	Governmental Funds Capital Assets 4/30/22
General government	\$27,706,723	\$ 56,318	\$(10,560)	\$-0-	\$27,752,481
Public safety and protection	8,678,281	844,399	-0-	-0-	9,522,680
Streets	31,826,292	2,418,472	-0-	-0-	34,244,764
Culture and recreation	15,420,647	-0-	-0-	-0-	15,420,647
Community and economic development	<u>3,952,980</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,952,980</u>
Total Governmental Funds Capital Assets	<u>\$87,584,923</u>	<u>\$3,319,189</u>	<u>\$(10,560)</u>	<u>\$-0-</u>	<u>\$90,893,552</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, 2022

<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	\$2,046,944	\$2,151,692	\$ 977,172	\$ 234,189	\$ 120,309	\$22,222,175	\$27,752,481
Public safety and protection	-0-	924,077	292,564	2,889,113	5,383,141	33,785	9,522,680
Streets	-0-	109,546	-0-	1,709,364	1,651,941	30,773,913	34,244,764
Culture and recreation	2,993,212	2,449,979	12,459	660,711	24,358	9,279,928	15,420,647
Community and economic development	<u>1,055,859</u>	<u>908,792</u>	<u>8,599</u>	<u>19,475</u>	<u>22,955</u>	<u>1,937,300</u>	<u>3,952,980</u>
Total Governmental Funds Capital Assets	<u>\$6,096,015</u>	<u>\$6,544,086</u>	<u>\$1,290,794</u>	<u>\$5,512,852</u>	<u>\$7,202,704</u>	<u>\$64,247,101</u>	<u>\$90,893,552</u>

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

STATISTICAL SECTION

CITY OF MT. VERNON, ILLINOIS
 GOVERNMENT-WIDE EXPENSES BY FUNCTION
 Last Ten Fiscal Years

Fiscal Year	General Government	Police	Fire	Public Works	Engineering Services	Health and Sanitation	Culture and Recreation	Community Development	Education	Interest on Long-Term Debt	Water Sewer, and Sanitation Funds (Includes Interest Expense of \$395,202)	Total
2022	\$6,762,723	\$5,456,488	\$3,500,415	\$1,917,993	\$281,181	\$1,193,194	\$1,365,774	\$1,538,312	\$-0-	\$ 944,949	\$7,803,628	\$30,764,657
2021	6,763,890	4,405,595	3,077,425	1,984,409	343,731	1,187,522	1,072,187	1,621,145	-0-	467,366	8,022,185	28,945,455
2020	6,913,236	6,087,359	4,193,464	2,000,887	418,292	1,168,396	1,624,188	1,560,610	-0-	1,053,218	8,574,871	33,594,521
2019	5,850,037	5,842,823	4,017,767	2,009,913	396,170	1,103,621	1,646,158	1,192,181	-0-	1,112,911	7,933,301	31,104,882
2018	5,403,819	5,978,896	3,868,278	2,045,219	465,543	1,065,689	1,606,812	2,785,122	-0-	1,179,838	9,022,406	33,421,622
2017	4,814,075	4,952,148	3,605,436	1,976,810	474,860	1,152,757	1,471,573	1,057,118	-0-	1,175,717	8,372,167	29,052,661
2016	5,837,478	5,355,077	3,945,545	2,481,469	596,213	1,119,734	1,855,666	933,660	-0-	1,218,555	8,548,196	31,891,593
2015	4,681,709	4,719,925	3,339,454	2,344,768	620,769	1,076,232	1,693,291	569,574	-0-	1,215,898	8,171,899	28,433,519
2014	4,521,542	4,896,290	3,373,968	2,338,854	639,032	685,003	1,287,904	304,882	-0-	1,230,339	8,458,903	27,736,717
2013	4,321,400	4,884,801	3,328,796	2,609,096	598,129	685,451	1,414,160	721,634	-0-	761,949	8,209,676	27,535,092

CITY OF MT. VERNON, ILLINOIS
 GOVERNMENT-WIDE REVENUES
 Last Ten Fiscal Years

Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Gain (Loss) on Sale of Fixed Assets	Grants and Contributions Not Restricted to Specific Programs	Unrestricted Investment Income	Miscellaneous	Transfers	Total
2022	\$10,874,157	\$140,774	\$2,238,824	\$29,849,193	\$ 1,740	\$169,000	\$ 118,287	\$ 76,238	\$ (462,511)	\$43,005,702
2021	10,978,311	813,097	2,222,223	24,896,413	238,570	4,500	96,438	71,805	(430,038)	38,891,319
2020	10,885,162	171,415	3,422,047	23,179,509	(520)	15,421	297,455	75,986	(217,627)	37,828,848
2019	11,120,263	168,935	2,368,206	22,996,106	9,525	24,848	323,070	92,824	-0-	37,103,777
2018	11,935,289	142,810	2,985,140	19,213,545	9,655	8,592	289,076	88,399	-0-	34,672,506
2017	11,294,627	146,892	1,298,908	17,688,171	141,305	12,675	133,404	167,831	-0-	30,883,813
2016	9,822,667	140,267	746,887	17,975,370	(6,603)	18,958	52,645	80,434	-0-	28,830,625
2015	9,811,879	155,933	647,349	17,785,947	27,114	49,077	(251,728)	62,196	-0-	28,287,767
2014	9,107,988	239,540	1,078,944	16,875,992	28,727	357,254	147,640	68,768	-0-	27,904,853
2013	8,966,302	223,554	6,270,967	16,282,951	(1,521)	180,176	130,215	112,004	-0-	32,164,648

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>
2022	\$21,457,994	\$2,453,789	\$6,007,836	\$1,133,641	\$1,758,712	\$ 89,443	\$ 63,645	\$32,965,060
2021	17,978,795	2,348,052	4,463,076	728,962	2,023,636	86,485	71,789	27,700,795
2020	16,419,920	2,118,682	4,285,307	1,118,020	1,771,113	255,687	80,066	26,048,795
2019	16,497,586	1,934,409	4,285,487	1,099,433	2,559,014	262,858	103,349	26,742,136
2018	12,780,468	1,831,509	4,078,283	939,096	3,129,881	259,647	105,223	23,124,107
2017	11,845,721	1,664,163	3,989,434	897,516	1,442,835	122,759	313,553	20,275,981
2016	12,236,418	1,557,520	4,064,986	935,229	877,333	46,341	84,391	19,802,218
2015	12,425,777	1,303,539	3,963,767	992,431	820,059	(229,381)	99,879	19,376,071
2014	11,902,218	1,184,539	3,588,674	597,643	1,319,985	132,118	140,184	18,865,361
2013	11,536,650	1,090,277	3,513,374	529,529	5,853,206	112,386	118,106	22,753,528

Includes all Governmental Funds

CITY OF MT. VERNON, ILLINOIS
 SCHEDULE OF GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (GAAP BASIS)
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Streets</u>	<u>Culture and Recreation</u>	<u>Community and Economic Development</u>	<u>Debt Service</u>	<u>Total</u>
2022	\$ 7,646,647	\$8,608,374	\$2,476,002	\$1,493,506	\$1,579,384	\$1,718,260	\$23,522,173
2021	6,935,088	8,072,621	2,289,841	1,211,814	1,636,126	1,112,674	21,258,164
2020	7,435,099	7,988,633	2,094,677	1,509,182	1,553,907	1,228,408	21,809,906
2019	9,547,150	8,118,933	2,051,107	1,564,832	1,190,744	1,280,020	23,752,786
2018	9,490,782	7,888,006	1,928,655	1,445,778	2,774,830	1,340,231	24,868,282
2017	8,516,553	7,831,551	2,502,428	1,585,660	1,054,678	1,226,594	22,717,464
2016	9,240,724	8,238,661	2,599,861	1,653,918	934,927	1,268,292	23,936,383
2015	9,598,454	7,776,563	2,611,162	1,591,470	566,832	1,256,954	23,401,435
2014	10,381,451	7,980,218	2,622,731	1,207,840	300,223	1,460,111	23,952,574
2013	15,111,426	7,877,215	2,852,045	1,320,148	719,990	130,601	28,011,425

Includes all Governmental Funds

CITY OF MT. VERNON, ILLINOIS
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Sales Taxes</u>	<u>Use Taxes</u>	<u>Hotel/Motel Taxes</u>	<u>Property Taxes Levied for General Purposes</u>	<u>Property Taxes Levied for Employee Benefits</u>	<u>Franchise Taxes</u>	<u>Public Service Taxes</u>	<u>Total</u>
2022	\$21,457,896	\$577,366	\$1,494,191	\$1,656,027	\$739,486	\$120,135	\$3,804,092	\$29,849,193
2021	17,978,795	687,268	969,041	1,725,978	691,784	137,982	2,667,365	24,858,213
2020	16,419,920	534,587	1,251,770	1,736,053	697,975	143,167	2,358,231	23,141,703
2019	16,497,586	464,468	1,309,615	1,492,610	677,923	149,755	2,366,329	22,958,286
2018	12,780,466	401,838	1,355,827	1,569,229	744,842	149,231	2,174,273	19,175,706
2017	11,845,721	376,677	1,339,505	1,093,315	752,613	154,335	2,126,005	17,688,171
2016	12,236,418	352,654	1,370,259	894,685	782,209	157,350	2,181,795	17,975,370
2015	12,425,779	308,664	1,331,869	634,647	753,586	157,818	2,173,584	17,785,947
2014	11,902,218	267,510	1,202,011	625,850	755,626	148,598	1,974,179	16,875,992
2013	11,536,650	242,219	1,274,046	547,468	690,404	142,175	1,849,989	16,282,951

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General merchandise	\$ 50,889,456	\$ 46,044,837	\$ 57,462,100	\$ 59,228,450	\$ 60,776,644	\$ 62,655,737	\$ 65,555,200	\$ 62,322,629	\$ 67,609,067	\$ 71,596,705
Food	53,208,002	43,000,112	57,239,978	57,133,143	51,742,043	45,088,667	45,899,752	56,863,371	58,602,933	56,277,010
Drinking and eating places	49,046,600	38,142,728	59,621,493	58,668,599	56,217,473	58,927,181	57,814,400	55,828,952	54,347,562	54,819,086
Apparel	8,586,190	6,176,179	10,058,435	10,056,442	9,302,033	9,625,953	8,944,667	7,127,200	5,339,733	5,940,248
Furniture and H.H. and radio	8,771,088	6,730,690	8,612,870	8,270,924	8,430,257	9,125,867	10,071,390	11,768,324	13,513,581	14,119,581
Lumber, building, and hardware	52,506,628	48,795,866	63,207,139	52,324,676	42,895,126	45,037,790	43,516,857	42,226,895	38,429,829	38,398,171
Automotive and filling stations	39,449,609	31,175,342	86,499,259	87,729,216	80,174,458	88,323,333	99,102,705	98,470,457	86,021,752	96,451,848
Drugs and miscellaneous retail	65,104,950	39,354,306	41,405,348	43,514,661	42,434,385	43,358,610	41,965,048	39,530,648	37,621,029	38,467,524
Agriculture and all others	41,862,654	27,998,303	42,764,309	43,904,458	40,395,143	40,939,448	46,143,048	48,575,695	41,001,829	39,528,857
Manufacturers	6,962,502	4,789,731	9,905,058	9,086,394	6,332,909	3,367,643	3,728,552	4,971,390	5,630,990	3,779,752
Total	<u>\$376,387,679</u>	<u>\$292,208,094</u>	<u>\$436,775,989</u>	<u>\$429,916,963</u>	<u>\$398,700,471</u>	<u>\$406,450,229</u>	<u>\$422,741,619</u>	<u>\$427,685,561</u>	<u>\$408,118,305</u>	<u>\$419,378,782</u>
Related City sales tax receipts	\$ 19,760,353	\$ 15,350,924	\$ 15,287,798	\$ 15,021,806	\$ 10,450,762	\$ 10,564,791	\$ 10,925,554	\$ 10,994,258	\$ 10,573,936	\$ 9,956,851

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City	2.75%	2.75%	2.75%	2.50%	2.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Jefferson County	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.25%	0.25%
State of Illinois	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Total	<u>9.50%</u>	<u>9.50%</u>	<u>9.50%</u>	<u>9.25%</u>	<u>9.25%</u>	<u>8.25%</u>	<u>8.25%</u>	<u>8.25%</u>	<u>8.00%</u>	<u>8.00%</u>

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		
2022	\$30,680,792	\$ 625,910	\$ 5,914,337	\$2,952,486	\$40,173,525	\$2,725
2021	32,184,462	781,868	6,749,896	476,488	40,192,714	2,726
2020	25,403,027	1,108,190	8,366,637	356,262	35,234,116	2,306
2019	25,442,636	960,919	11,587,363	332,313	38,323,231	2,509
2018	28,392,540	1,693,267	7,007,459	516,333	37,609,599	2,462
2017	29,821,627	2,225,128	7,403,374	632,149	40,082,278	2,624
2016	31,221,877	1,166,506	7,793,124	486,091	40,667,598	2,662
2015	32,585,518	881,851	8,172,483	568,438	42,205,290	2,763
2014	33,207,567	895,655	9,252,433	648,663	44,004,318	2,880
2013	34,283,641	561,016	9,631,359	578,501	45,054,517	2,769

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities										
Investment in capital assets, net of related debt	\$21,864,955	\$ 20,643,491	\$ 27,404,960	\$ 25,866,187	\$ 27,827,996	\$ 24,514,049	\$ 25,773,969	\$ 24,721,544	\$27,004,877	\$28,593,517
Restricted	2,132,005	1,531,212	830,592	835,197	715,220	535,423	280,821	309,864	172,154	159,519
Unrestricted	(3,644,148)	(10,440,420)	(23,103,920)	(22,205,995)	(26,906,774)	(14,531,333)	(16,298,143)	(12,556,599)	7,485,272	5,678,580
Total governmental activities net position	<u>20,352,812</u>	<u>11,734,283</u>	<u>5,131,632</u>	<u>4,495,389</u>	<u>1,636,442</u>	<u>10,518,139</u>	<u>9,756,647</u>	<u>12,474,809</u>	<u>34,662,303</u>	<u>34,431,616</u>
Business-type activities										
Investment in capital assets, net of related debt	23,744,776	21,582,827	18,584,264	15,808,000	13,907,047	13,021,239	11,332,152	10,272,293	9,929,780	10,302,453
Restricted	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unrestricted	3,957,624	1,722,679	1,378,029	556,209	(682,786)	782,523	1,401,937	2,804,602	3,670,560	4,156,207
Total business-type activities net position	<u>27,702,400</u>	<u>23,305,506</u>	<u>19,962,293</u>	<u>16,364,209</u>	<u>13,224,261</u>	<u>13,803,762</u>	<u>12,734,089</u>	<u>13,076,895</u>	<u>13,600,340</u>	<u>14,458,660</u>
Primary government										
Investment in capital assets net of related debt	45,609,731	42,226,318	45,989,224	41,674,187	41,735,043	37,535,288	37,106,121	34,993,837	36,934,657	38,895,970
Restricted	2,132,005	1,531,212	830,592	835,197	715,220	535,423	280,821	309,864	172,154	159,519
Unrestricted	313,476	(8,717,741)	(21,725,891)	(21,649,786)	(27,589,560)	(13,748,810)	(14,896,206)	(9,751,997)	11,155,832	9,834,787
Total primary government net position	<u>\$48,055,212</u>	<u>\$ 35,039,789</u>	<u>\$ 25,093,925</u>	<u>\$ 20,859,598</u>	<u>\$ 14,860,703</u>	<u>\$ 24,321,901</u>	<u>\$ 22,490,736</u>	<u>\$ 25,551,704</u>	<u>\$48,262,643</u>	<u>\$48,890,276</u>

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Government activities:										
General government	\$ 6,762,723	\$ 6,763,890	\$ 6,913,236	\$ 5,850,037	\$ 5,403,819	\$ 4,814,075	\$ 5,837,478	\$ 4,681,709	\$ 4,521,542	\$ 4,321,400
Public safety										
Police	5,456,488	4,405,595	6,087,359	5,842,823	5,978,896	4,952,148	5,355,077	4,719,925	4,896,290	4,884,801
Fire	3,500,415	3,077,425	4,193,464	4,017,767	3,868,278	3,605,436	3,945,545	3,339,454	3,373,968	3,328,796
Public works	1,917,993	1,984,409	2,000,887	2,009,913	2,045,219	1,976,810	2,481,469	2,344,768	2,338,854	2,609,096
Engineering services	281,181	343,731	418,292	396,170	465,543	474,860	596,213	620,769	639,032	598,129
Culture and recreation	1,365,774	1,072,187	1,624,188	1,646,158	1,606,812	1,471,573	1,855,666	1,693,291	1,287,904	1,414,160
Community development	1,538,312	1,621,145	1,560,610	1,192,181	2,785,122	1,057,118	933,660	569,574	304,882	721,634
Interest on long-term debt	944,949	467,366	1,053,218	1,112,911	1,179,838	1,175,717	1,218,555	1,215,898	1,230,339	761,949
Total governmental activities expenses	21,767,835	19,735,748	23,851,254	22,067,960	23,333,527	19,527,737	22,223,663	19,185,388	18,592,811	18,639,965
Business-type activities:										
Water and sewer funds	7,803,628	8,022,185	8,574,871	7,933,301	9,022,406	8,372,167	8,548,196	8,171,899	8,458,903	8,209,676
Sanitation	1,193,194	1,187,522	1,168,396	1,103,621	1,065,689	1,152,757	1,119,734	1,076,232	685,003	685,451
Total business-type activities expenses	8,996,822	9,209,707	9,743,267	9,036,922	10,088,095	9,524,924	9,667,930	9,248,131	9,143,906	8,895,127
Total primary government expenses	\$ 30,764,657	\$ 28,945,455	\$ 33,594,521	\$ 31,104,882	\$ 33,421,622	\$ 29,052,661	\$ 31,891,593	\$ 28,433,519	\$ 27,736,717	\$ 27,535,092
Program revenues										
Government activities:										
Charges for services										
General government	\$ 288,593	\$ 1,142,864	\$ 589,028	\$ 738,941	\$ 873,518	\$ 397,706	\$ 136,201	\$ 127,338	\$ 224,158	\$ 144,663
Public safety										
Police	411,782	237,596	373,294	293,455	228,379	240,097	271,177	358,370	319,877	256,935
Fire	100	800	300	-0-	-0-	100	5,043	1,725	1,200	1,050
Culture and recreation	389,936	140,710	461,720	517,467	525,816	517,723	520,606	503,125	94,441	119,879
Community development	43,232	41,956	3,928	6,601	1,034	2,104	2,202	1,873	19,142	7,002
Operating grants and contributions	140,774	813,097	171,415	168,935	142,810	146,892	140,267	155,933	239,540	223,554
Capital grants and contributions	1,449,938	1,210,539	1,586,777	2,368,206	2,982,580	1,295,268	732,108	643,049	1,073,445	5,621,276
Total governmental activities program revenues	2,724,355	3,587,562	3,186,462	4,093,605	4,754,137	2,599,890	1,807,604	1,791,413	1,971,803	6,374,359
Business-type activities										
Charges for services										
Water and sewer funds	8,608,201	8,259,136	8,307,424	8,405,282	9,142,518	8,964,347	7,861,945	7,795,801	7,747,283	7,725,955
Sanitation	1,132,313	1,155,249	1,149,468	1,158,517	1,164,024	1,172,550	1,025,493	1,023,647	701,887	710,818
Capital grants and contributions	788,886	1,011,684	1,835,270	-0-	2,560	3,640	14,779	4,300	5,499	649,691
Total business-type activities program revenues	10,529,400	10,426,069	11,292,162	9,563,799	10,309,102	10,140,537	8,902,217	8,823,748	8,454,669	9,086,464
Total primary government program revenues	\$ 13,253,755	\$ 14,013,631	\$ 14,478,624	\$ 13,657,404	\$ 15,063,239	\$ 12,740,427	\$ 10,709,821	\$ 10,615,161	\$ 10,426,472	\$ 15,460,823

(Continued)

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net (expense) revenue										
Government activities	\$ (19,043,480)	\$ (16,148,186)	\$ (20,664,792)	\$ (17,974,355)	\$ (18,579,390)	\$ (16,927,847)	\$ (20,416,059)	\$ (17,393,975)	\$ (16,621,008)	\$ (12,265,606)
Business-type activities	1,532,578	1,216,362	1,548,895	526,877	221,007	615,613	(765,713)	(424,383)	(689,237)	191,337
Total primary government net expense	\$ (17,510,902)	\$ (14,931,824)	\$ (19,115,897)	\$ (17,447,478)	\$ (18,358,383)	\$ (16,312,234)	\$ (21,181,772)	\$ (17,818,358)	\$ (17,310,245)	\$ (12,074,269)
General revenues and other changes in net position										
Government activities:										
Taxes										
Sales taxes	\$ 21,457,896	\$ 17,978,795	\$ 16,419,920	\$ 16,497,586	\$ 12,780,466	\$ 11,845,721	\$ 12,236,418	\$ 12,425,779	\$ 11,902,218	\$ 11,536,650
Use taxes	577,366	687,268	534,587	464,468	401,838	376,677	352,654	308,664	267,510	242,219
Hotel/motel taxes	1,494,191	969,041	1,251,770	1,309,615	1,355,827	1,339,505	1,370,259	1,331,869	1,202,011	1,274,046
Property taxes levied for general purposes	1,656,027	1,725,978	1,736,053	1,492,610	1,569,229	1,093,315	894,685	634,647	625,850	547,468
Property taxes levied for employee benefits	739,486	691,784	697,975	677,923	744,842	752,613	782,209	753,586	755,626	690,404
Franchise taxes	120,135	137,982	143,167	149,755	149,231	154,335	157,350	157,818	148,598	142,175
Public service taxes	3,804,092	2,667,365	2,358,231	2,366,329	2,174,273	2,126,005	2,181,795	2,173,584	1,974,179	1,849,989
Gain (loss) on sale of fixed assets	1,740	212,390	(520)	9,525	9,655	138,223	(6,603)	27,114	28,727	4,386
Grants and contributions not restricted to specific programs	169,000	4,500	15,421	24,848	8,592	12,675	18,958	49,077	357,254	180,176
Unrestricted investment income	96,179	91,633	286,223	291,059	269,453	124,252	47,746	(227,299)	133,533	113,611
Miscellaneous	76,238	71,805	75,986	92,824	88,399	167,831	79,486	62,773	68,893	100,103
Transfers	(3,304,719)	(2,487,704)	(2,217,778)	(2,543,240)	(753,949)	(441,826)	(417,060)	(308,033)	(43,414)	(77,960)
Total governmental activities	26,887,631	22,750,837	21,301,035	20,833,302	18,797,856	17,689,326	17,697,897	17,389,579	17,420,985	16,603,267
Business-type activities:										
Property taxes levied for employee benefits	-0-	38,200	37,806	37,820	37,869	-0-	-0-	-0-	-0-	-0-
Gain (loss) on sale of fixed assets	-0-	26,180	-0-	-0-	-0-	3,082	-0-	-0-	-0-	(5,907)
Unrestricted investment income	22,108	4,805	11,232	32,011	19,623	9,152	4,899	(24,429)	14,107	16,604
Miscellaneous	-0-	-0-	-0-	-0-	-0-	-0-	948	(577)	(125)	11,901
Transfers	2,842,208	2,057,666	2,000,151	2,543,240	753,949	441,826	417,060	308,033	43,414	77,960
Total business-type activities	2,864,316	2,126,851	2,049,189	2,613,071	811,411	454,060	422,907	283,027	57,396	100,558
Total primary government	\$ 29,751,947	\$ 24,877,688	\$ 23,350,224	\$ 23,446,373	\$ 19,609,267	\$ 18,143,386	\$ 18,120,804	\$ 17,672,606	\$ 17,478,381	\$ 16,703,825
Change in net position:										
Government activities	\$ 7,844,151	\$ 6,602,651	\$ 636,243	\$ 2,858,947	\$ 218,466	\$ 761,479	\$ (2,718,162)	\$ (4,396)	\$ 799,977	\$ 4,337,661
Business-type activities	4,396,894	3,343,213	3,598,084	3,139,948	1,032,418	1,069,673	(342,806)	(141,356)	(631,841)	291,895
Total primary government	\$ 12,241,045	\$ 9,945,864	\$ 4,234,327	\$ 5,998,895	\$ 1,250,884	\$ 1,831,152	\$ (3,060,968)	\$ (145,752)	\$ 168,136	\$ 4,629,556

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Corporate Fund										
Nonspendable	\$ 1,885	\$ 3,523	\$ 1,138	\$ 1,950	\$ 3,098	\$ 1,145	\$ 1,840	\$ 503	\$ 1,720	\$ 1,975
Restricted	246,335	218,806	242,863	314,808	355,008	380,222	188,375	141,970	83,995	58,250
Unassigned	9,958,373	8,149,157	5,587,445	4,149,977	3,605,924	3,544,925	3,448,070	3,993,451	3,804,556	3,721,525
Total General Corporate Fund	10,206,593	8,371,486	5,831,446	4,466,735	3,964,030	3,926,292	3,638,285	4,135,924	3,890,271	3,781,750
Quality of life										
Committed	9,351,720	7,612,036	1,497,838	1,091,134	1,169,733	1,049,171	1,174,814	1,170,134	812,843	385,424
Assigned	-0-	9,574	-0-	1,297,537	1,935,061	4,723,061	5,708,737	7,726,374	11,176,671	15,989,260
Unassigned	-0-	-0-	-0-	532,750	533,635	533,128	533,414	533,548	755,699	952,531
Total Quality of Life	9,351,720	7,621,610	1,497,838	2,921,421	3,638,429	6,305,360	7,416,965	9,430,056	12,745,213	17,327,215
General Corporate Capital										
Committed	2,112,732	676,545	474,089	1,268,326	571,153	465,594	(156,366)	30,247	189,550	(195,040)
Assigned	-0-	-0-	-0-	-0-	2,625,252	3,412,625	6,608,219	9,176,340	10,618,233	12,323,069
Unassigned	-0-	80,191	-0-	446,826	445,619	442,709	442,018	432,677	414,762	496,867
Total General Corporate Capital	2,112,732	756,736	474,089	1,715,152	3,642,024	4,320,928	6,893,871	9,639,264	11,222,545	12,624,896
Motor Fuel Tax										
Restricted	2,130,625	1,529,648	787,784	476,624	311,345	116,052	55,000	130,948	44,082	70,708
Total Motor Fuel Tax	2,130,625	1,529,648	787,784	476,624	311,345	116,052	55,000	130,948	44,082	70,708
Revolving Loan										
Unassigned	-0-	-0-	-0-	-0-	-0-	2,112,924	2,118,870	2,120,887	2,120,457	2,133,882
Total Revolving Loan	-0-	-0-	-0-	-0-	-0-	2,112,924	2,118,870	2,120,887	2,120,457	2,133,882
Convention and Visitors' Bureau										
Nonspendable	1,380	1,564	1,545	2,157	1,853	2,346	2,499	2,817	2,794	2,931
Committed	150,924	128,763	153,004	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	-0-	168,135	153,975	130,851	110,604	99,051	453,721	393,135
Total Convention and Visitors' Bureau	152,304	130,327	154,549	170,292	155,828	133,197	113,103	101,868	456,515	396,066
Special Service Area Number One										
Committed	-0-	10,763	4,360	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	11,184	-0-	-0-	7,668	4,341	24,186	41,034	103,285	96,218	55,957
Total Special Service Area Number One	11,184	10,763	4,360	7,668	4,341	24,186	41,034	103,285	96,218	55,957
Home Rule Sales Tax Fund										
Committed	7,723,568	8,879,075	2,838,237	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	-0-	1,361,195	827,060	-0-	-0-	-0-	-0-	-0-
Total Home Rule Sales Tax Fund	7,723,568	8,879,075	2,838,237	1,361,195	827,060	-0-	-0-	-0-	-0-	-0-
TIF - Downtown										
Committed	(67,412)	(2,093)	32,480	161,667	94,063	48,395	10,000	252,310	370,055	181,657
Unassigned	-0-	-0-	-0-	(138,611)	(152,685)	(200,263)	(209,588)	(188,939)	(245,343)	(104)
Total TIF - Downtown	(67,412)	(2,093)	32,480	23,056	(58,622)	(151,868)	(199,588)	63,371	124,712	181,553
TIF - Homestead										
Unassigned	-0-	-0-	-0-	-0-	-0-	-0-	140	(360)	(772)	(1,250)
Total TIF - Homestead	-0-	-0-	-0-	-0-	-0-	-0-	140	(360)	(772)	(1,250)
TIF - Rt 15 and I-57										
Committed	205,623	147,544	90,210	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	-0-	59,616	32,521	10,060	(14,731)	(33,319)	(34,553)	(34,193)
Total TIF - Rt 15 and I-57	205,623	147,544	90,210	59,616	32,521	10,060	(14,731)	(33,319)	(34,553)	(34,193)
TIF - Industrial Park										
Committed	570,601	345,583	109,826	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	-0-	(8,606)	(46,697)	20,039	(20,845)	(22,609)	(23,128)	(22,960)
Total TIF - Industrial Park	570,601	345,583	109,826	(8,606)	(46,697)	20,039	(20,845)	(22,609)	(23,128)	(22,960)
Pension Sales Tax Fund										
Committed	956,156	165,921	(217,627)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Pension Sales Tax Fund	956,156	165,921	(217,627)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grand total	\$33,353,694	\$27,956,600	\$11,603,192	\$11,193,153	\$12,470,259	\$16,817,170	\$20,042,104	\$25,669,315	\$30,641,560	\$36,513,624

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Sales taxes	\$21,457,994	\$ 17,978,795	\$16,419,920	\$16,497,586	\$12,780,468	\$11,845,721	\$12,236,418	\$12,425,777	\$11,902,218	\$11,536,650
Use taxes	577,366	687,268	534,587	464,468	401,838	376,677	352,654	308,664	267,510	242,219
Hotel/motel taxes	1,494,191	969,041	1,251,770	1,309,615	1,355,827	1,339,505	1,370,259	1,331,869	1,202,011	1,274,046
Property taxes levied for general purposes	1,714,622	1,651,396	1,420,677	1,199,298	1,099,703	888,824	811,675	576,048	521,786	505,922
Property taxes levied for employee benefits	739,167	696,656	698,005	735,111	731,806	775,339	745,845	727,491	662,753	584,355
Franchise taxes	132,626	137,982	143,167	149,755	149,231	154,335	157,350	157,818	148,598	142,175
Public service taxes	3,803,653	2,668,785	2,355,783	2,361,649	2,171,387	2,118,917	2,184,723	2,165,416	1,970,555	1,854,934
Gain on sale of fixed assets	-0-	-0-	4,080	10,525	17,835	145,723	4,897	37,113	71,311	6,821
Grants and contributions not restricted to specific programs	-0-	-0-	12,921	21,873	3,492	675	4,958	21,077	7,000	8,376
Unrestricted investment income	89,443	86,485	255,687	262,858	259,647	122,759	46,341	(229,381)	132,118	112,386
Miscellaneous	63,645	71,789	75,986	92,824	87,388	167,830	79,494	62,766	68,873	111,285
Operating grants and contributions	140,774	813,097	171,415	168,935	143,810	146,892	140,267	155,933	239,540	223,554
Capital grants and contributions	1,617,938	1,210,539	1,586,777	2,368,206	2,982,579	1,295,268	732,108	643,049	1,073,445	5,621,276
Charges for services	1,133,641	728,962	1,118,020	1,099,433	939,096	897,516	935,229	992,431	597,643	529,529
Total revenues	32,965,060	27,700,795	26,048,795	26,742,136	23,124,107	20,275,981	19,802,218	19,376,071	18,865,361	22,753,528
Expenditures										
General government	7,646,647	6,935,088	7,435,099	9,547,150	9,490,782	8,516,553	9,240,724	9,598,454	10,381,451	15,111,426
Public safety										
Police	5,188,271	4,963,891	4,988,531	4,966,123	4,804,997	4,739,095	4,838,524	4,594,587	4,743,315	4,719,205
Fire	3,420,103	3,108,730	3,000,102	3,152,810	3,083,009	3,092,456	3,400,137	3,181,976	3,236,903	3,158,010
Public works	2,081,170	1,899,774	1,703,606	1,669,851	1,534,652	2,015,011	1,993,925	1,993,193	1,983,242	2,254,727
Engineering services	394,832	390,067	391,071	381,256	394,003	487,417	605,936	617,969	639,489	597,318
Culture and recreation	1,493,506	1,211,814	1,509,182	1,564,832	1,445,778	1,585,660	1,653,918	1,591,470	1,207,840	1,320,148
Community development	1,579,384	1,636,126	1,553,907	1,190,744	2,774,830	1,054,678	934,927	566,832	300,223	719,990
Interest and fiscal charges	1,718,260	1,112,674	1,228,408	1,280,020	1,340,231	1,226,594	1,268,292	1,256,954	1,460,111	130,601
Total expenditures	23,522,173	21,258,164	21,809,906	23,752,786	24,868,282	22,717,464	23,936,383	23,401,435	23,952,574	28,011,425
Excess (deficiency) of revenues over (under) expenditures	9,442,887	6,442,631	4,238,889	2,989,350	(1,744,175)	(2,441,483)	(4,134,165)	(4,025,364)	(5,087,213)	(5,257,897)
Other financing sources (uses)										
Transfers from other funds	-0-	1,383,259	598,321	3,618,791	1,109,802	951,060	609,516	2,154,934	267,648	502,681
Transfers to other funds	(3,304,719)	(3,870,963)	(2,816,099)	(6,162,031)	(1,863,751)	(1,392,886)	(1,026,576)	(1,789,382)	(311,062)	(580,641)
Sale of assets	12,300	238,257	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Principal paid on long-term debt	(1,527,752)	(25,602,356)	(1,661,072)	(1,723,216)	(1,848,787)	(1,692,944)	(1,683,986)	(1,562,439)	(1,239,433)	(302,448)
Long-term debt issued	-0-	37,762,580	50,000	-0-	-0-	1,351,319	608,000	250,000	498,000	32,631,428
Net other financing sources (uses)	(4,820,171)	9,910,777	(3,828,850)	(4,266,456)	(2,602,736)	(783,451)	(1,493,046)	(946,887)	(784,847)	32,251,020
Net change in fund balance	\$ 4,622,716	\$ 16,353,408	\$ 410,039	\$ (1,277,106)	\$ (4,346,911)	\$ (3,224,934)	\$ (5,627,211)	\$ (4,972,251)	\$ (5,872,060)	\$ 26,993,123

CITY OF MT. VERNON, ILLINOIS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Median Household Income</u>	<u>Per Capita Income</u>	<u>Median Age of Population</u>	<u>School Enrollment</u>	<u>City Unemployment Rate Calendar Year</u>
2022	14,742	\$42,660	\$27,499	38.6	5,526	5.4%
2021	14,742	42,660	27,499	38.6	3,713	4.6%
2020	15,277	38,439	23,447	39.9	3,606	N/A
2019	15,277	38,439	23,447	39.9	3,617	4.6%
2018	15,277	38,439	23,447	39.9	3,552	N/A
2017	15,277	38,439	23,447	39.9	3,690	6.3%
2016	15,277	38,439	23,447	39.9	3,622	7.6%
2015	15,277	38,439	23,447	39.9	3,633	8.0%
2014	15,277	38,439	23,447	39.9	3,738	8.9%
2013	15,277	38,439	23,447	39.9	3,848	10.4%

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

CITY OF MT. VERNON, ILLINOIS
PRINCIPAL EMPLOYERS

April 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<u>April 30, 2022</u>				
Continental Tire The Americas, LLC	Manufacturing	16.7%	3,496	
Walgreens Distribution Center	Regional Distribution	10.2%	2,138	
SSM Health-Good Samaritan Hospital	Healthcare	7.1%	1,484	
Crossroads Community Hospital	Healthcare	1.4%	290	
National Railway Equipment Company	Manufacturing	1.8%	376	
Mt. Vernon City Schools District 80	Education	1.4%	283	
Rend Lake College	Education	1.2%	261	
Mt. Vernon Township High School	Education	0.8%	171	
City of Mt. Vernon	Municipality	0.7%	139	
Jefferson County	County Government	0.9%	178	
Kroger	Retail	0.6%	130	
Peoples National Bank	Banking	0.5%	102	
Spero Family Services	Service	0.9%	197	
NAPA Distribution Center	Distribution	0.4%	90	
Medline Physicians Filing	Healthcare	0.4%	77	
Durham Bus Service	Transportation	0.4%	84	
Orthopedic Center of Southern IL	Healthcare	0.4%	78	
Magnum Steel Works	Manufacturing	0.2%	50	
Total at April 30, 2022		<u>46.0%</u>	<u>9,624</u>	<u>16,090</u>
<u>April 30, 2021</u>				
Continental Tire The Americas, LLC	Manufacturing	16.7%	3,496	
Walgreens Distribution Center	Regional Distribution	10.2%	2,138	
SSM Health-Good Samaritan Hospital	Healthcare	7.1%	1,484	
Crossroads Community Hospital	Healthcare	1.4%	290	
National Railway Equipment Company	Manufacturing	1.8%	376	
Mt. Vernon City Schools District 80	Education	1.4%	283	
Rend Lake College	Education	1.2%	261	
Mt. Vernon Township High School	Education	0.8%	171	
City of Mt. Vernon	Municipality	0.7%	139	
Jefferson County	County Government	0.9%	178	
Kroger	Retail	0.6%	130	
Peoples National Bank	Banking	0.5%	102	
Spero Family Services	Service	0.9%	197	
NAPA Distribution Center	Distribution	0.4%	90	
Medline Physicians Filing	Healthcare	0.4%	77	
Durham Bus Service	Transportation	0.4%	84	
Orthopedic Center of Southern IL	Healthcare	0.4%	78	
Magnum Steel Works	Manufacturing	0.2%	50	
Total at April 30, 2021		<u>46.0%</u>	<u>9,624</u>	<u>16,090</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS
PRINCIPAL EMPLOYERS

April 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013

Employer	Product/Business	% of Total County Nonfarm Employment	Employees	Total County Nonfarm Employment
<u>April 30, 2020</u>				
Continental Tire The Americas, LLC	Manufacturing	20.5%	3,432	
SSM Health-Good Samaritan Hospital	Healthcare	12.4%	2,073	
Walgreens Distribution Center	Distribution	8.2%	1,380	
Crossroads Community Hospital	Healthcare	1.7%	290	
Mt. Vernon City Schools District 80	Education	1.7%	283	
Rend Lake College	Education	1.6%	261	
National Railway Equipment Company	Manufacturing	1.2%	207	
Spero Family Services	Service	1.2%	193	
Jefferson County	County Government	1.1%	178	
Mt. Vernon Township High School	Education	1.0%	171	
Kroger	Retail	0.9%	155	
City of Mt. Vernon	Municipality	0.8%	141	
Peoples National Bank	Banking	0.6%	102	
Magnum Steel Works	Manufacturing	0.6%	91	
NAPA Distribution Center	Distribution	0.5%	90	
Durham Bus Service	Transportation	0.5%	84	
Orthopedic Center of Southern IL	Healthcare	0.5%	78	
Medline	Medical Billing	0.5%	77	
Total at April 30, 2020		<u>55.5%</u>	<u>9,286</u>	<u>16,729</u>
<u>April 30, 2019</u>				
Continental Tire The Americas, LLC	Manufacturing	20.0%	3,432	
SSM Health-Good Samaritan Hospital	Healthcare	12.1%	2,073	
Walgreens Distribution Center	Distribution	8.0%	1,380	
Mt. Vernon City Schools District 80	Education	1.7%	283	
Crossroads Community Hospital	Healthcare	1.7%	283	
Rend Lake College	Education	1.5%	261	
National Railway Equipment Company	Manufacturing	1.2%	207	
Spero Family Services	Service	1.1%	193	
Jefferson County	County Government	1.0%	178	
Mt. Vernon Township High School	Education	1.0%	171	
Kroger	Retail	0.9%	155	
City of Mt. Vernon	Municipality	0.8%	143	
Peoples National Bank	Banking	0.6%	102	
Magnum Steel Works	Manufacturing	0.5%	91	
NAPA Distribution Center	Distribution	0.5%	90	
Durham Bus Service	Transportation	0.5%	84	
Orthopedic Center of Southern IL	Healthcare	0.5%	78	
Medline	Medical Billing	0.4%	77	
Total at April 30, 2019		<u>54.0%</u>	<u>9,281</u>	<u>17,180</u>

(Continued)

(Continued)

CITY OF MT. VERNON, ILLINOIS
PRINCIPAL EMPLOYERS

April 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<u>April 30, 2018</u>				
Continental Tire N.A., Inc.	Manufacturing	16.6%	3,348	
Walgreens Distribution Center	Regional distribution	6.8%	1,380	
Good Samaritan Regional Health Center	Hospital	10.9%	2,204	
Crossroads Community Hospital	Hospital	1.3%	260	
National Railway	Manufacturing	0.9%	185	
Mt. Vernon City Schools District 80	Education	1.3%	267	
City of Mt. Vernon	Municipal Government	0.7%	151	
Mt. Vernon Township High School	Education	0.9%	172	
Peoples National Bank	Banking	0.5%	102	
Spero Family Services	Service Provider	0.9%	189	
Mt. Vernon Neon Sign	Commercial signs	0.4%	77	
Medline Physicians Filing	Healthcare	0.5%	92	
NAPA Distribution Center	Distribution	0.4%	90	
Orthopedic Center of Southern IL	Healthcare	0.4%	81	
Magnum Steel Works	Manufacturing	0.3%	66	
Total at April 30, 2018		<u>42.8%</u>	<u>8,664</u>	<u>N/A</u>
<u>April 30, 2017</u>				
Continental Tire The Americas, LLC	Manufacturing	15.7%	3,292	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	6.7%	1,410	
Walgreens Distribution Center	Distribution	6.7%	1,400	
Mt. Vernon City Schools District 80	Education	1.3%	267	
Crossroads Community Hospital	Healthcare	1.2%	260	
City of Mt. Vernon	Municipality	1.1%	222	
National Railway Equipment Company	Manufacturing	1.0%	207	
Spero Family Services	Service	0.9%	189	
Jefferson County	County Government	0.9%	182	
Mt. Vernon Township High School	Education	0.8%	172	
Kroger	Retail	0.7%	145	
Peoples National Bank	Banking	0.5%	102	
Durham Bus Service	Transportation	0.5%	100	
Medline Physicians Filing	Healthcare	0.4%	92	
NAPA Distribution Center	Distribution	0.4%	90	
Total at April 30, 2017		<u>38.8%</u>	<u>8,130</u>	<u>20,920</u>

(Continued)

(Continued)

CITY OF MT. VERNON, ILLINOIS
PRINCIPAL EMPLOYERS

April 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<u>April 30, 2016</u>				
Continental Tire The Americas, LLC	Manufacturing	16.3%	3,300	
Walgreens Distribution Center	Distribution	6.9%	1,385	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	5.5%	1,108	
Crossroads Community Hospital	Healthcare	1.6%	325	
National Railway Equipment Company	Manufacturing	1.5%	300	
Mt. Vernon City Schools District 80	Education	1.3%	255	
City of Mt. Vernon	Municipality	0.9%	172	
Mt. Vernon Township High School	Education	0.9%	172	
Peoples National Bank	Banking	0.6%	118	
Spero Family Services	Service	0.6%	114	
Mt. Vernon Neon Sign	Commercial signs	0.5%	100	
Medline Physicians Filing	Healthcare	0.4%	90	
NAPA Distribution Center	Distribution	0.4%	90	
Orthopedic Center of Southern IL	Healthcare	0.4%	85	
Magnum Steel Works	Manufacturing	0.4%	79	
Total at April 30, 2016		<u>38.2%</u>	<u>7,693</u>	<u>20,210</u>
<u>April 30, 2015</u>				
Continental Tire The Americas, LLC	Manufacturing	16.3%	3,300	
Walgreens Distribution Center	Distribution	6.9%	1,385	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	5.5%	1,108	
Crossroads Community Hospital	Healthcare	1.6%	325	
National Railway Equipment Company	Manufacturing	1.5%	300	
Mt. Vernon City Schools District 80	Education	1.3%	255	
City of Mt. Vernon	Municipality	0.9%	172	
Mt. Vernon Township High School	Education	0.9%	172	
Peoples National Bank	Banking	0.6%	118	
Spero Family Services	Service	0.6%	114	
Mt. Vernon Neon Sign	Commercial signs	0.5%	100	
Medline Physicians Filing	Healthcare	0.4%	90	
NAPA Distribution Center	Distribution	0.4%	90	
Orthopedic Center of Southern IL	Healthcare	0.4%	85	
Magnum Steel Works	Manufacturing	0.4%	79	
Total at April 30, 2015		<u>38.2%</u>	<u>7,693</u>	<u>20,210</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS
PRINCIPAL EMPLOYERS

April 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<u>April 30, 2014</u>				
Continental Tire The Americas, LLC	Manufacturing	15.8%	3,200	
Walgreens Distribution Center	Distribution	7.4%	1,500	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	5.6%	1,130	
Crossroads Community Hospital	Healthcare	1.6%	325	
Mt. Vernon City Schools District 80	Education	1.3%	260	
National Railway Equipment Company	Manufacturing	1.0%	200	
Mt. Vernon Township High School	Education	0.9%	172	
City of Mt. Vernon	Municipality	0.8%	160	
Spero Family Services	Service	0.6%	114	
Orthopedic Center of Southern IL	Healthcare	0.5%	100	
Magnum Steel Works	Manufacturing	0.5%	100	
Innotech Manufacturing, LLC	Manufacturing	0.5%	100	
Mt. Vernon Neon Sign	Commercial signs	0.5%	100	
NAPA Distribution Center	Distribution	0.4%	90	
Total at April 30, 2014		<u>37.4%</u>	<u>7,551</u>	<u>20,210</u>
<u>April 30, 2013</u>				
Continental Tire The Americas, LLC	Manufacturing	15.8%	3,200	
Walgreens Distribution Center	Distribution	7.3%	1,475	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	5.6%	1,130	
Crossroads Community Hospital	Healthcare	1.6%	325	
Mt. Vernon City Schools District 80	Education	1.3%	260	
National Railway Equipment Company	Manufacturing	1.0%	200	
Mt. Vernon Township High School	Education	0.8%	172	
City of Mt. Vernon	Municipality	0.8%	160	
Spero Family Services	Service	0.6%	114	
Orthopedic Center of Southern IL	Healthcare	0.5%	100	
Mt. Vernon Neon Sign	Commercial signs	0.5%	100	
NAPA Distribution Center	Distribution	0.4%	90	
Total at April 30, 2013		<u>36.2%</u>	<u>7,326</u>	<u>20,210</u>

CITY OF MT. VERNON, ILLINOIS
 FULL TIME EQUIVALENT CITY GOVERNMENT
 EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Function/Program	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
General government										
City council	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.63	2.50	2.50
City manager	3.00	3.00	3.00	2.75	2.00	2.00	2.38	3.13	3.00	3.00
City clerk	2.00	1.75	1.50	1.50	2.00	2.00	2.00	2.38	2.38	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	4.00	3.75	3.75	4.00	4.00	3.75	3.75	3.75
Legal	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50
Total general government	<u>14.00</u>	<u>13.75</u>	<u>13.50</u>	<u>13.00</u>	<u>12.75</u>	<u>13.50</u>	<u>13.88</u>	<u>14.89</u>	<u>14.63</u>	<u>14.25</u>
Public safety										
Police	50.00	51.50	52.25	52.50	51.75	52.88	56.00	56.25	55.75	56.00
Fire	28.25	28.50	27.75	28.75	30.00	30.00	30.00	28.75	29.75	30.75
Total public safety	<u>78.25</u>	<u>80.00</u>	<u>80.00</u>	<u>81.25</u>	<u>81.75</u>	<u>82.88</u>	<u>86.00</u>	<u>85.00</u>	<u>85.50</u>	<u>86.75</u>
Transportation and building										
Public works	15.13	14.25	14.50	14.25	13.25	16.38	19.88	18.88	19.88	19.50
Engineering	4.63	4.88	4.63	4.25	5.00	6.25	7.00	7.75	6.88	7.13
Fleet services	5.00	5.50	5.25	5.00	5.50	5.25	6.50	7.00	7.00	7.00
Total transportation and building	<u>24.76</u>	<u>24.63</u>	<u>24.38</u>	<u>23.50</u>	<u>23.75</u>	<u>27.88</u>	<u>33.38</u>	<u>33.63</u>	<u>33.76</u>	<u>33.63</u>
Culture, parks and recreation										
Park	16.13	12.01	7.50	8.38	15.38	16.50	19.00	18.13	15.50	16.13
Tourism	3.50	2.75	3.50	3.13	3.50	3.75	4.13	4.13	4.63	4.50
Total culture, parks and recreation	<u>19.63</u>	<u>14.76</u>	<u>11.00</u>	<u>11.51</u>	<u>18.88</u>	<u>20.25</u>	<u>23.13</u>	<u>22.26</u>	<u>20.13</u>	<u>20.63</u>
Community and economic development										
Special Service Area Number One	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.38
Total community and economic development	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1.38</u>
Public utilities	15.63	15.63	15.00	14.75	15.75	16.00	16.25	17.00	18.00	18.00
Public utilities (billing services)	3.00	3.25	3.00	3.00	3.13	3.25	3.38	3.50	3.38	3.50
Total public utilities	<u>18.63</u>	<u>18.88</u>	<u>18.00</u>	<u>17.75</u>	<u>18.88</u>	<u>19.25</u>	<u>19.63</u>	<u>20.50</u>	<u>21.38</u>	<u>21.50</u>
Total government	<u>155.27</u>	<u>152.02</u>	<u>146.88</u>	<u>147.01</u>	<u>156.01</u>	<u>163.76</u>	<u>176.02</u>	<u>176.28</u>	<u>175.40</u>	<u>178.14</u>

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

Function/Program	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Police										
Physical arrests	961	920	1,254	1,525	1,342	1,238	1,611	1,569	1,593	1,612
Parking violations	13	36	15	77	37	15	202	953	308	630
Traffic violations	1,267	1,026	1,512	2,484	2,671	2,428	2,900	3,262	4,007	3,856
Fire										
Emergency responses	3,917	3,569	3,631	3,424	2,494	2,559	2,778	2,577	2,370	2,859
Fires extinguished	148	174	43	49	104	90	121	111	112	117
Sanitation										
Refuse collected (tons per day)	N/A	N/A	17.54	18.72	19.84	19.34	20.16	16.27	19.97	17.6
Street										
Street resurfacing (in miles)	4.0	3.54	2.40	4.07	4.31	3.45	0.78	0.86	0.84	0.59
Potholes repaired	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water										
Average daily consumption (1,000's of gallons)	2,627	2,788	2,899	3,118	3,438	3,399	3,404	3,285	3,601	3,423
Water main breaks	N/A	97	136	166	218	270	169	93	190	203
Wastewater										
Average daily flow treated (1,000's of gallons)	2,468	2,666	4,130	3,533	3,086	3,303	3,430	3,800	3,180	3,130

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

CITY OF MT. VERNON, ILLINOIS
 SCHEDULE OF PROPERTY TAX RATES AND EXTENSIONS
 Last Ten Calendar Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes
Assessed valuations	\$247,216,558	\$235,665,249	\$235,335,756	\$228,903,950	\$227,321,413	\$219,269,781	\$210,806,720	\$210,646,308	\$205,525,358	\$199,241,099
Tax rates by fund, per \$100 of assessed valuation:										
General Corporate	0.0069	0.0041	0.0041	0.0042	0.0043	0.0043	0.0041	0.0040	0.0041	0.0043
I.M.R.F.	0.1780	0.1867	0.1870	0.1922	0.2340	0.2340	0.3626	0.3568	0.3594	0.3352
City Park	0.1131	0.1187	0.1188	0.1222	0.1739	0.1739	0.0881	0.0855	0.0877	0.0905
Police Pension	0.3621	0.3799	0.3804	0.3911	0.3418	0.3418	0.3823	0.3147	0.3327	0.3440
Firefighters' Pension	0.3861	0.4050	0.4056	0.4170	0.3495	0.3495	0.3613	0.4010	0.4071	0.3962
Social Security	0.1218	0.1277	0.1279	0.1315	0.1189	0.1189	0.0000	0.0000	0.0000	0.0000
City-wide tax rate	1.1680	1.2221	1.2238	1.2582	1.2224	1.2224	1.1984	1.1620	1.1910	1.1702
Assessed valuations - Special Service Area Number One	\$ 4,558,242	\$ 4,556,539	\$ 5,133,162	\$ 5,133,162	\$ 5,143,843	\$ 5,119,360	\$ 5,183,031	\$ 5,224,717	\$ 5,217,161	\$ 5,233,896
Special Service Area Number One	1.6400	1.6400	1.6400	1.6400	1.6400	1.6400	1.6400	1.6376	1.6400	1.6400
Special Service Area Number One tax rate	1.6400	1.6400	1.6400	1.6400	1.6400	1.6400	1.6400	1.6376	1.6400	1.6400
Tax extensions by fund:										
General Corporate	\$ 17,034	\$ 9,709	9,719	\$ 9,706	\$ 9,410	\$ 9,363	\$ 8,893	\$ 8,447	\$ 8,447	\$ 8,468
I.M.R.F.	440,021	440,010	440,007	439,999	540,207	513,179	778,889	751,649	738,740	667,776
City Park	279,711	279,711	279,697	279,698	271,513	381,288	189,159	180,145	180,143	180,373
Police Pension	895,221	895,198	895,170	895,152	836,475	749,420	821,185	662,946	683,762	685,389
Firefighters' Pension	954,503	954,515	954,498	954,484	919,288	766,436	776,118	844,692	836,756	789,294
Social Security	301,011	301,015	301,018	301,009	241,006	260,734	-0-	-0-	-0-	-0-
City-wide tax extensions	\$ 2,887,501	\$ 2,880,158	\$ 2,880,109	\$ 2,880,048	\$ 2,817,899	\$ 2,680,420	\$ 2,574,244	\$ 2,447,879	\$ 2,447,848	\$ 2,331,300
Special Service Area Number One	\$ -0-	\$ 74,727	\$ 79,561	\$ 84,184	\$ 84,000	\$ 83,958	\$ 85,002	\$ 85,562	\$ 85,561	\$ 85,836
Special Service Area Number One tax extensions	\$ -0-	\$ 74,727	\$ 79,561	\$ 84,184	\$ 84,000	\$ 83,958	\$ 85,002	\$ 85,562	\$ 85,561	\$ 85,836

CITY OF MT. VERNON, ILLINOIS
ANALYSIS OF PROPERTY TAX SETTLEMENT
Last Ten Fiscal Years

	2020 Taxes Settled In 2021 and 2022	2019 Taxes Settled In 2020 and 2021	2018 Taxes Settled In 2019 and 2020	2017 Taxes Settled In 2018 and 2019	2016 Taxes Settled In 2017 and 2018	2015 Taxes Settled In 2016 and 2017	2014 Taxes Settled In 2015 and 2016	2013 Taxes Settled In 2014 and 2015	2012 Taxes Settled In 2013 and 2014	2011 Taxes Settled In 2012 and 2013
Jefferson County Collectors' records:										
Charges										
Extension of tax	\$4,295,269	\$4,216,496	\$3,994,947	\$3,711,841	\$3,378,710	\$3,245,921	\$3,062,034	\$2,808,113	\$2,645,253	\$2,521,796
Errors and uncollected tax	-0-	-0-	(1,800)	(2,459)	(1,868)	4,416	(13,158)	(12,064)	(2,401)	5,426
Amount of tax on books	4,295,269	4,216,496	3,993,147	3,709,382	3,376,842	3,250,337	3,048,876	2,796,049	2,642,852	2,527,222
Other charges	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(20)	-0-	-0-
Total charges	4,295,269	4,216,496	3,993,147	3,709,382	3,376,842	3,250,337	3,048,876	2,796,029	2,642,852	2,527,222
Total received by County Collector for the City of Mt. Vernon, Illinois	4,298,863	4,220,524	3,923,443	3,639,110	3,306,789	3,227,008	3,023,074	2,944,680	2,626,713	2,521,586
Road and bridge tax	160,899	161,104	153,135	151,904	150,585	148,825	147,592	140,227	136,987	134,121
Total due the City of Mt. Vernon, Illinois	<u>\$4,459,762</u>	<u>\$4,381,628</u>	<u>\$4,076,578</u>	<u>\$3,791,014</u>	<u>\$3,457,374</u>	<u>\$3,375,833</u>	<u>\$3,170,666</u>	<u>\$3,084,907</u>	<u>\$2,763,700</u>	<u>\$2,655,707</u>
City of Mt. Vernon, Illinois distribution by fund:										
General Corporate, including road and bridge tax	\$ 749,855	\$ 448,110	\$ 440,508	\$ 429,850	\$ 539,082	\$ 345,985	\$ 334,743	\$ 325,945	\$ 324,407	\$ 321,832
I.M.R.F.	438,907	734,857	666,106	702,661	699,444	747,943	713,902	697,582	641,613	584,354
Special Service Area										
Number One - administration	74,545	76,044	84,214	83,929	84,000	85,002	85,562	85,561	85,836	85,693
TIF Homestead	-0-	-0-	-0-	-0-	-0-	909	893	870	838	162
TIF Downtown	471,571	428,946	430,972	414,821	374,122	359,114	360,550	303,289	246,793	231,912
TIF IPC	549,897	533,294	322,492	137,129	3,913	2,584	2,244	890	624	443
TIF Route 15/I-57	329,915	326,105	295,626	285,473	249,316	244,300	176,820	173,407	-0-	-0-
Police Pension	892,952	887,719	888,872	827,608	745,288	817,427	657,796	673,350	680,233	690,570
Firefighters' Pension	952,120	946,553	947,788	909,543	762,209	772,569	838,156	824,013	783,356	740,741
Total distribution	<u>\$4,459,762</u>	<u>\$4,381,628</u>	<u>\$4,076,578</u>	<u>\$3,791,014</u>	<u>\$3,457,374</u>	<u>\$3,375,833</u>	<u>\$3,170,666</u>	<u>\$3,084,907</u>	<u>\$2,763,700</u>	<u>\$2,655,707</u>

CITY OF MT. VERNON, ILLINOIS
 SCHEDULE OF UTILITY OPERATING REVENUES
 (WATER, SEWER AND SANITATION)
 Last Ten Fiscal Years

<u>Fiscal</u> <u>Year</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation</u>
2022	\$4,974,748	**\$3,504,608	\$1,132,313
2021	4,814,474	** 3,272,979	1,155,249
2020	4,753,951	** 3,347,095	1,149,468
2019	4,804,295	** 3,386,575	1,158,518
2018	8,904,012	-0-	1,164,024
2017	8,731,134	-0-	1,172,550
2016	7,641,008	-0-	1,025,493
2015	7,562,426	-0-	1,023,647
2014	7,503,445	-0-	701,887
2013	7,479,507	-0-	710,818

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

CITY OF MT. VERNON, ILLINOIS
SCHEDULE OF UTILITY CUSTOMERS SERVED
(WATER, SEWER AND SANITATION)
Last Ten Fiscal Years

<u>Number of Customers at 4/30</u>	<u>Waterworks Customers</u>	<u>Sewerage Customers</u>	<u>Sanitation Customers</u>
2022	6,834	6,103	4,892
2021	6,742	6,026	5,076
2020	6,678	5,927	4,774
2019	6,642	5,914	5,026
2018	6,685	5,955	5,087
2017	6,552	5,853	5,102
2016	6,770	6,024	5,104
2015	6,793	6,360	5,145
2014	6,628	6,184	5,237
2013	6,947	6,391	5,310

CITY OF MT. VERNON, ILLINOIS
SCHEDULE OF INSURANCE COVERAGE
April 30, 2022

Policy Number and Company	Expiration Date	Coverage	Amount Excluding Deductible
P3-1000552-1920-01 Illinois Counties Risk Management Trust	12/1/2022	General Liability (Each Occurrence/Aggregate)	\$1,000,000/\$3,000,000
		Premises Medical Payments (Ea Prsn, Ea Occur)	\$5,000/\$50,000
		Sexual Abuse Liability (Each Occurrence/Aggregate)	\$1,000,000/\$1,000,000
		Law Enforcement Liability (Each Occur/Aggregate)	\$1,000,000/\$3,000,000
		Auto Liability (Each Occurrence)	\$1,000,000
		Auto Medical Pmts (Each Person/Each Accident)	\$5,000/\$25,000
		Uninsured & Underinsured Motorist Liability (Ea. Occur.)	\$100,000
		Auto Physical Damage (Total Agreed Value)	\$2,831,000
		Public Officials Liab. - Claims Made (Ea. Occur./Agg.)	\$1,000,000/\$1,000,000
		(Employment Practices Liability)	
		(Employee Benefits Liability)	
		Cyber Liability Extension (Ea. Occur./Agg.)	\$100,000/\$100,000
		Excess Liability - General Liability	\$10,000,000
		Excess Liability - Law Enforcement Liability	\$10,000,000
		Excess Liability - Auto Liability	\$10,000,000
		Excess Liability - Public Officials Liability (Claims Made)	\$10,000,000
		Property - Buildings	\$62,270,366
		Property - Bus. Pers. Prop.	\$3,682,500
		Property - Personal Property of Others	\$100,000
		Property - Newly Const. or Acqu. Prop.	\$1,000,000
		Property - Foot Bridges & Appurt. Structures	\$100,000
		Property - Covered Property in Transit	\$1,000,000
		Property - Earthquake (Ea. Occur./Prog. Agg.)	\$10M/\$250M
		Property - Flood (Ea. Occur./Prog. Agg.)	\$10M/\$250M
		Extra Exp./Bus. Inc.; Fine Arts; Accts. Rec.; Val. Papers	\$1,000,000
		Inland Marine	\$4,346,961
		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)	\$67,270,366
		Various Crime Coverages (Ea. Coverage)	\$500,000
		Workers Compensation Limit	Statutory
		Employers Liability Limit (Ea. Accident & Ea. Emp. For Disease)	\$2,500,000