

**CITY OF MT. VERNON, ILLINOIS**  
**Comprehensive Annual Financial Report**  
**April 30, 2021**



INTRODUCTORY SECTION

CITY OF MT. VERNON, ILLINOIS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Year Ended April 30, 2021

Prepared by:

Department of Finance

Steven Tate  
Director of Finance

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CITY OF MT. VERNON, ILLINOIS

LIST OF PRINCIPAL OFFICIALS

April 30, 2021

City Council

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

City Manager

Mary Ellen Bechtel

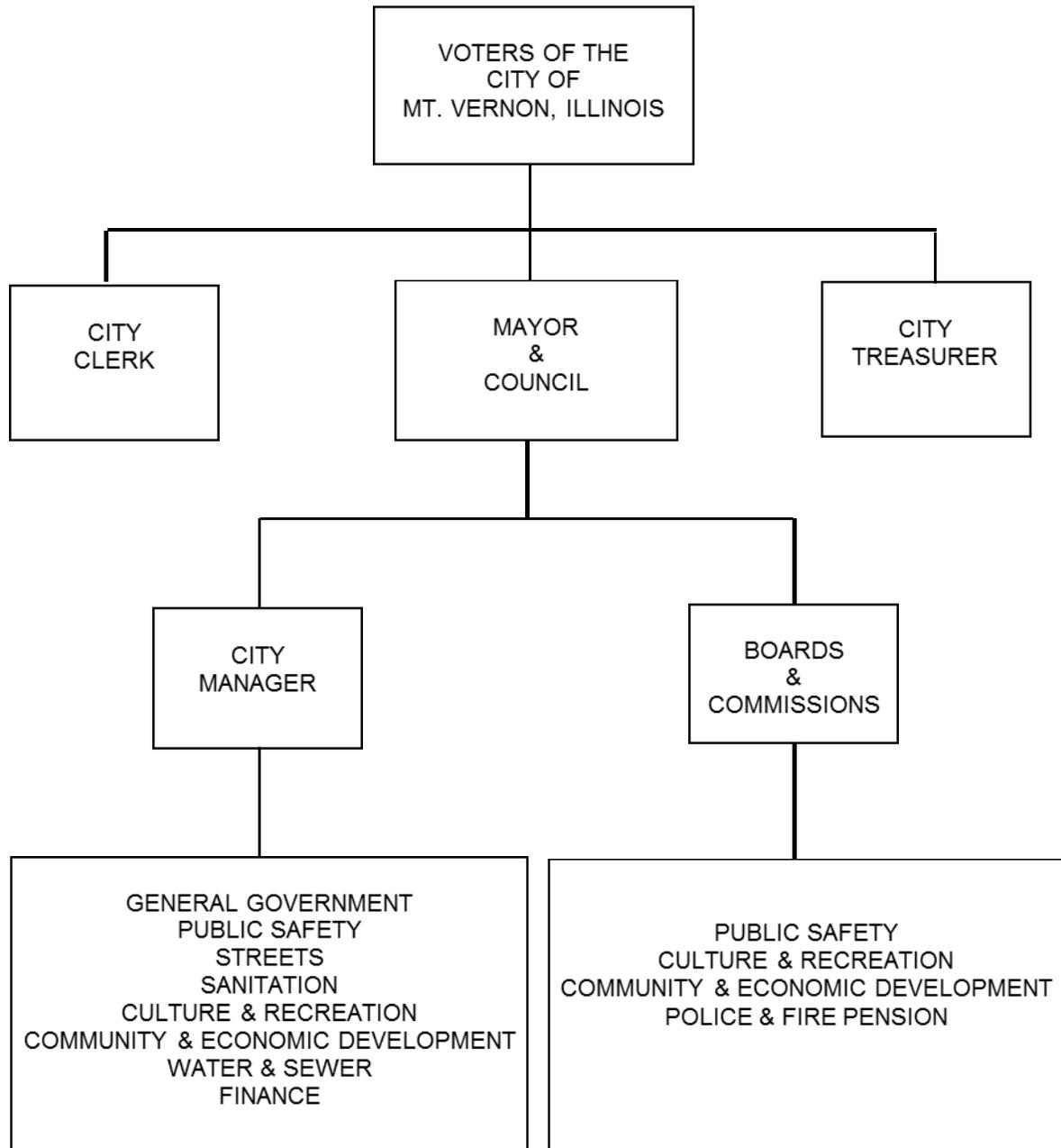
City Clerk

Mary Jo Pemberton

City Treasurer

Pat Carlson

CITY OF MT. VERNON, ILLINOIS  
ORGANIZATION CHART  
April 30, 2021



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*

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618-327-8042 Fax 327-8052

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

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mt. Vernon, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Mt. Vernon, Illinois' basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit

also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mt. Vernon, Illinois, as of April 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 4 through 21 and 93 through 124 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mt. Vernon, Illinois' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2021, 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  
October 18, 2021

CITY OF MT. VERNON, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2021

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, 2021. Please read it in conjunction with the City's financial statements, which follow this section.

#### FINANCIAL HIGHLIGHTS

- The total governmental activities experienced a 128.67% increase in the Change in Net Position, moving from \$5,131,632 at April 30, 2020, to \$11,734,283 at April 30, 2021. Business-type activities showed a 16.75% increase in Change in Net Position.
- Fiscal year 20-21, governmental activities' sales tax revenue increased by 9.49%, property taxes decreased 0.67%, 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

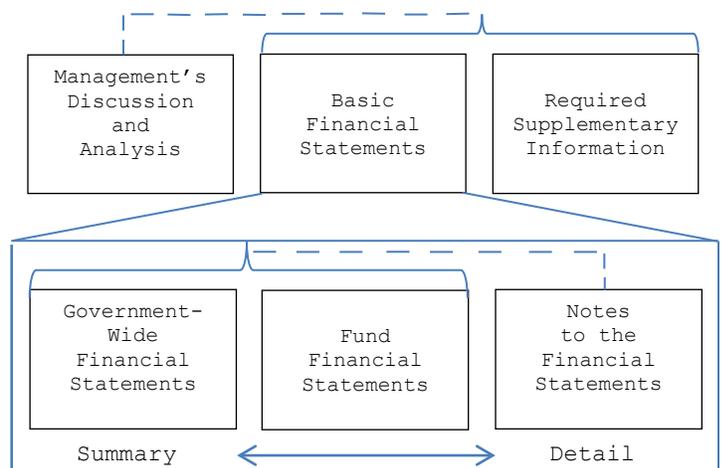


Figure A-2  
Major Features of the City of Mt. Vernon, Illinois' Government-Wide  
and Fund Financial Statements

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

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

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

#### Government-Wide Statements

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

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

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

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

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

#### Fund Financial Statements

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

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

The City has three kinds of funds:

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

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

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

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

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

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

#### Notes to the Financial Statements

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

## Other Information

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

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

## Net Position

The City's combined net position amounted to \$35.0 million. Of that total \$42.2 million is in the form of capital assets.

Table A-1  
City of Mt. Vernon, Illinois' Net Position  
4/30/21

	Governmental Activities 4/30/21	Governmental Activities 4/30/20	Business-Type Activities 4/30/21	Business-Type Activities 4/30/20	Total 4/30/21	Total 4/30/20
Current and other assets	\$ 37,150,541	\$ 20,313,438	\$ 6,353,549	\$ 5,255,264	\$ 43,504,090	\$ 25,568,702
Capital assets	52,647,856	53,298,433	28,702,802	27,167,865	81,350,658	80,466,298
Total assets	<u>\$ 89,798,397</u>	<u>\$ 73,611,871</u>	<u>\$35,056,351</u>	<u>\$32,423,129</u>	<u>\$124,854,748</u>	<u>\$106,035,000</u>
Deferred outflows of resources						
Deferred pension and OPEB charges	\$ -0-	\$ 3,793,324	\$ -0-	\$ -0-	\$ -0-	\$ 3,793,324
Total deferred outflows of resources	<u>\$ -0-</u>	<u>\$ 3,793,324</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,793,324</u>
Current liabilities	\$ 3,224,049	\$ 3,491,109	\$ 1,486,985	\$ 1,509,680	\$ 4,711,034	\$ 5,000,789
Long-term liabilities	66,122,003	68,567,017	9,234,014	10,732,410	75,356,017	79,299,427
Total liabilities	<u>\$ 69,346,052</u>	<u>\$ 72,058,126</u>	<u>\$10,720,999</u>	<u>\$12,242,090</u>	<u>\$ 80,067,051</u>	<u>\$ 84,300,216</u>
Deferred inflows of resources						
Deferred pension credits	\$ 8,513,339	\$ 37,067	\$ 957,359	\$ 161,324	\$ 9,470,698	\$ 198,391
Deferred revenue	204,723	178,370	72,487	57,422	277,210	235,792
Total deferred inflows of resources	<u>\$ 8,718,062</u>	<u>\$ 215,437</u>	<u>\$ 1,029,846</u>	<u>\$ 218,746</u>	<u>\$ 9,747,908</u>	<u>\$ 434,183</u>
Net position:						
Net investment in capital assets	\$ 20,643,491	\$ 27,404,960	\$21,582,827	\$18,584,264	\$ 42,226,318	\$ 45,989,224
Restricted	1,531,212	830,592	-0-	-0-	1,531,212	830,592
Unrestricted	(10,440,420)	(23,103,920)	1,722,679	1,378,029	(8,717,741)	(21,725,891)
Total net position	<u>\$ 11,734,283</u>	<u>\$ 5,131,632</u>	<u>\$23,305,506</u>	<u>\$19,962,293</u>	<u>\$ 35,039,789</u>	<u>\$ 25,093,925</u>

Most of the Governmental Activities' net position either are restricted as to the purposes they can be used for (e.g. grants) or are invested in capital assets (buildings, roads, bridges, and so on). The City has been able to pay the full economic costs of its services and programs in the current period. Many local governments are unable to accomplish this and, as a result, future generations will be required to pay for programs enjoyed in the current period. The City of Mt. Vernon, Illinois not only has sufficient funds to meet requirements for cash outlays in the next fiscal year, but it has the financial capacity to meet its long-term obligations in the years to come. The City's policy has been to make reasonable and continuous efforts to fund all long-term liabilities even in the face of a declining economy. The total net position of our Business-Type Activities amounted to \$23.3 million in fiscal year 20-21.

## Changes in Net Position

The City's total revenues amounted to \$39.3 million in fiscal year 20-21 (See Table A-2). The largest revenue category is taxes, which amounted to \$24.9 million. In fiscal year 20-21, 72% of all taxes came from sales tax collections. \$14.0 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 \$28.9 million in fiscal year 20-21. 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 \$9,747,908 increased \$9,313,725 due to the deferred pension charges recognized according to the actuarial valuation.

The City's total liabilities of \$80,067,051 decreased \$4,233,165 mostly due to long-term debt payments.

Table A-2  
City of Mt. Vernon, Illinois' Changes in Net Position  
4/30/21

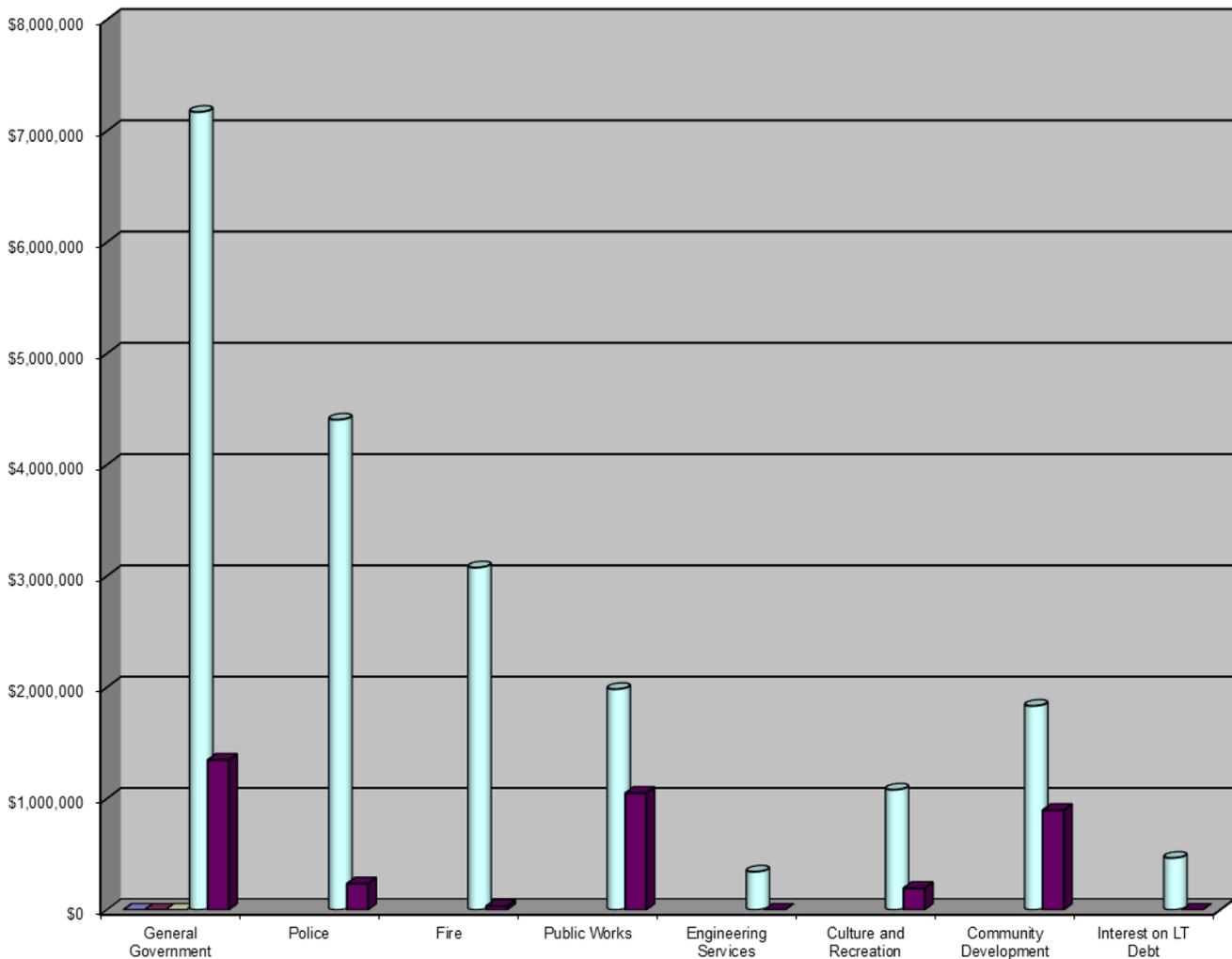
	Governmental Activities 4/30/21	Governmental Activities 4/30/20	Business-Type Activities 4/30/21	Business-Type Activities 4/30/20	Total 4/30/21	Total 4/30/20
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,563,926	\$ 1,428,270	\$ 9,414,385	\$ 9,456,892	\$10,978,311	\$10,885,162
Operating grants/ contributions	813,097	171,415	-0-	-0-	813,097	171,415
Capital grants/ contributions	1,210,539	1,586,777	1,011,684	1,835,270	2,222,223	3,422,047
General revenues:						
Sales taxes	17,978,795	16,419,920	-0-	-0-	17,978,795	16,419,920
Property taxes	2,417,762	2,434,028	38,200	37,806	2,455,962	2,471,834
Other taxes	4,461,656	4,287,755	-0-	-0-	4,461,656	4,287,755
Unrestricted grants	4,500	15,421	-0-	-0-	4,500	15,421
Other	375,828	361,689	30,985	11,232	406,813	372,921
<b>Total revenues</b>	<b>28,826,103</b>	<b>26,705,275</b>	<b>10,495,254</b>	<b>11,341,200</b>	<b>39,321,357</b>	<b>38,046,475</b>
<b>Expenses:</b>						
General government	6,763,890	6,913,236	-0-	-0-	6,763,890	6,913,236
Public safety	7,483,020	10,280,823	-0-	-0-	7,483,020	10,280,823
Public works	1,984,409	2,000,887	-0-	-0-	1,984,409	2,000,887
Engineering services	343,731	418,292	-0-	-0-	343,731	418,292
Health and sanitation	-0-	-0-	8,889,192	9,313,189	8,889,192	9,313,189
Culture and recreation	1,072,187	1,624,188	-0-	-0-	1,072,187	1,624,188
Community development	1,621,145	1,560,610	-0-	-0-	1,621,145	1,560,610
Interest on long-term debt	467,366	1,053,218	320,515	430,078	787,881	1,483,296
<b>Total expenses</b>	<b>19,735,748</b>	<b>23,851,254</b>	<b>9,209,707</b>	<b>9,743,267</b>	<b>28,945,455</b>	<b>33,594,521</b>
Change before transfers	9,090,355	2,854,021	1,285,547	1,597,933	10,375,902	4,451,954
Transfers	(2,487,704)	(2,217,778)	2,057,666	2,000,151	(430,038)	(217,627)
<b>Increase in net position</b>	<b>6,602,651</b>	<b>636,243</b>	<b>3,343,213</b>	<b>3,598,084</b>	<b>9,945,864</b>	<b>4,234,327</b>
Net position - beginning	5,131,632	4,495,389	19,962,293	16,364,209	25,093,925	20,859,598
<b>Net position - ending</b>	<b>\$11,734,283</b>	<b>\$ 5,131,632</b>	<b>\$23,305,506</b>	<b>\$19,962,293</b>	<b>\$35,039,789</b>	<b>\$25,093,925</b>

**Governmental Activities:** Net position for governmental activities increased by \$6,602,651 in the current year.

**Business-Type Activities:** Net position for business-type activities increased by \$3,343,213 in the current year.

## Governmental Activities

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

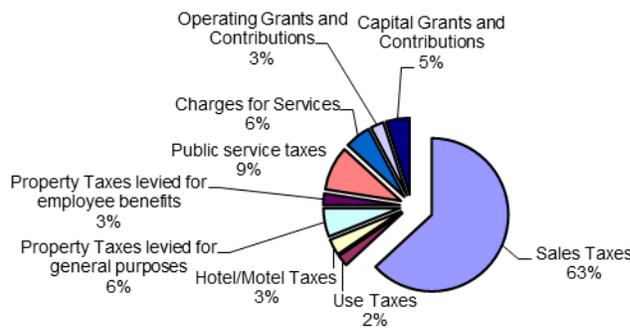


Graph 1 presents the cost of each of the City's seven largest programs - general government, police, fire, public works, engineering services, culture and recreation and community development, as well as each program's net cost (total cost less fees generated by the activities). The net cost shows the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

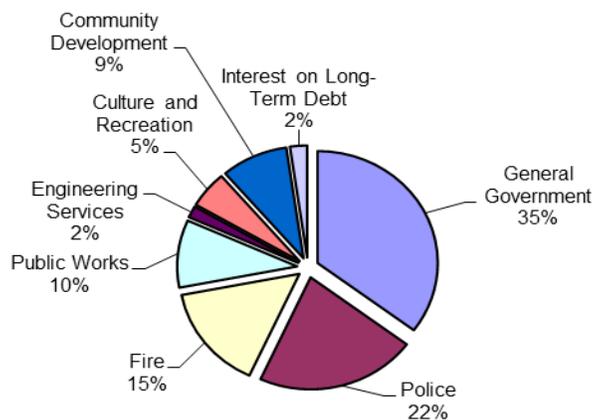
- The cost of all governmental activities this year was \$19,735,748.
- However, the amount that our taxpayers paid for these activities through City revenues was \$16,148,186. Some of the cost was paid by:
  - Those who directly benefitted from the programs \$1,563,926 or
  - Other governments and organizations that subsidized certain programs with grants and contributions \$2,023,636.
- The City paid for the \$16,148,186 "public benefit" portion with \$25,238,541 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 \$5,460,873 in fiscal year 20-21.

- Public works required the fifth largest net amount of public funds after subtracting program revenue and grants and contributions. The total subsidy was \$934,023 in fiscal year 20-21.
- 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 \$4,167,999, while fire was \$3,008,658.
- Administration and support services comprised 35% of total expenses in fiscal year 20-21.
- 57% of all governmental activities revenue came from sales tax revenue in fiscal year 20-21 (see Graph 2).
- 37% of all governmental activities expenses were for police (22%) and fire (15%), 35% went for general government, and 10% went for public works (see Graph 3).

Revenue by Source - Governmental Activities (Graph 2)



Expenses - Governmental Activities (Graph 3)



Business-Type Activities

Revenues of the City's business-type activities were \$10,495,254, and expenses were \$9,209,707 (Refer to Table A-2).

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

The 2020-2021 Budget for the Water Fund projected an Operating Working Fund Balance (defined in the section "General Corporate Fund Budgetary Highlights" below) on April 30, 2021 of \$689,208.

The Water Fund ended the 2020-2021 fiscal year with an actual Operating Working Fund Balance of \$925,552, which is \$236,344 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 2020-2021 came in approximately \$94,000 over budget.
- (2) Operating expenses for the fiscal year 2020-2021 came in approximately \$365,000 over budget.
- (3) The beginning Operating Working Fund Balance projected for the Water Fund in the budget for fiscal year 2020-2021 was understated by \$507,344.

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 2020-2021 Budget for the Sewer Fund projected an Operating Working Fund Balance on April 30, 2021 of \$548,916.

The Sewer Fund ended the 2020-2021 fiscal year with an actual Operating Working Fund Balance of \$168,621 which is \$380,295 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 2020-2021 came in approximately \$262,000 under budget.
- (2) Operating expenses for the fiscal year 2020-2021 came in approximately \$254,000 under budget.
- (3) The beginning Operating Working Fund Balance projected for the Sewer Fund in the budget for fiscal year 2020-2021 was incorrectly stated by \$372,295.

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 2020-2021 fiscal year with an actual Operating Working Fund Balance of \$106,912 when the 2020-2021 operating budget had projected \$105,952 which is \$960 more than originally projected. This increase was primarily due to the following:

- (1) Operating revenues for the fiscal year came in approximately \$5,300 over budget.
- (2) Operating expenses for the fiscal year came in approximately \$4,600 over budget.

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

As the City completed its 2020-2021 fiscal year, its governmental funds reported a combined fund balance of \$27,956,600 which is an increase of \$16,353,408. The increase is accounted for in the next paragraph.

The General Corporate Fund's combined fund balance was \$8,371,486, an increase of \$2,540,040. The combined fund balance of the Quality of Life Fund increased \$6,123,772 to \$7,621,610; the combined fund balance of the General Corporate Capital Fund increased \$282,647 to \$756,736; the combined fund balance of the Motor Fuel Tax Fund increased \$741,864 to \$1,529,648; the combined fund balance of the Home Rule Tax increased \$6,040,838 to \$8,879,075; the combined fund balance of the Downtown TIF Fund decreased \$34,573 to negative \$(2,093); and the combined fund balances of the other governmental funds increased \$658,820 to \$800,138.

#### **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 2020-2021 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, 2021 of \$5,564,554. The accompanying financial statements show the General Corporate Fund as having an actual Operating Working Fund Balance, or Unassigned Fund Balance, of \$8,149,157 on April 30, 2021, an increase of \$2,584,603 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 2020-2021 were \$1,404,000 higher than those originally budgeted with sales taxes coming in at \$716,734 over the original budget, which includes a reduction of \$59,521 state administration fees and use taxes coming in at \$144,968 over the original budget, state income tax \$281,058 over the original budget, proceeds from the sales of surplus equipment and land sales to outside parties that totaled \$234,757 in addition one-time revenues from the CURES Grant of \$630,222 that were not originally budgeted.
- (2) Actual total expenditures incurred for fiscal year 2020-2021 were \$1,091,257 lower than those originally budgeted, with General Government expenditures coming in at \$590,144 more than originally

budgeted, Police Department expenditures coming in at \$561,381 under the original budget, Fire Department expenditures coming in at \$29,625 under the original budget, Public Works Department expenditures coming in at \$88,068 under the original budget, Engineering Department expenditures coming in at \$35,232 under the original budget and Culture and Recreation expenditures coming in at \$108,728 under budget, and the Aquatic Zoo \$114,248 under budget.

- (3) The beginning Operating Working Fund Balance or "Unassigned Fund Balance" projected for General Corporate in the budget for fiscal year 2020-2021 was understated by \$89,346.

The Aquatic Zoo Fund is part of the General Corporate Fund discussed above and has an operating working fund balance of negative \$(120,824) on April 30, 2021, a decrease of \$210,759 from the previous year.

We amended our General Corporate revenue budget upward by \$212,528 during the fiscal year 2020-2021. We amended our General Corporate expenditure budget upward by the same amount during the fiscal year, including increased budgeted expenditures for General Government of \$652,228. Budgeted expenditures for the Police Department were decreased by \$456,300.

The City maintains a conservative philosophy in its budgeting process.

We also increased our property taxes 0% from the previous year for 2020-2021, with the creation of the Pension Sales Tax Fund to subsidize the pension expense of the City.

#### **Other Governmental Funds Budgetary Highlights**

On May 1, 2012, the General Corporate Capital Fund was set up. The 1% Food and Beverage Tax, the 2-cent per gallon Diesel Fuel Tax, the 1% Telecommunications Tax, grant income, interest income, miscellaneous income, bond and loan proceeds and transfers from other funds for capital expenditures are deposited into this fund. The funds accumulated from these revenues, after eligible disbursements, ended the fiscal year 2020-2021 with a positive balance of \$756,736 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.

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 \$313,047 on April 30, 2021 and the actual amount was \$7,621,610. 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 2020-2021 projected a working fund balance on April 30, 2021 of \$889,497. The actual working fund balance on April 30, 2021 was \$1,529,648, an increase of \$640,151, due to revenues coming in \$533,049 over budget and expenses coming in \$63,085 lower than 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 2020-2021 projected a total Working Fund Balance on April 30, 2021 of \$2,290,245. The actual Working Fund Balance on April 30, 2021 was \$8,879,075, an increase of \$6,588,830. 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, 2021, 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 2020 and we did in fact have a 0% increase on January 1, 2021 as budgeted. The Health Insurance Fund budget for 2020-2021 projected an ending fund balance on April 30, 2021 of \$1,801,144. The actual ending fund balance on April 30, 2021 was \$2,624,905, an increase of \$823,761, mostly due to revenues coming in higher than expected by \$19,842 and expenses coming in \$644,572 lower and the ending fund balance being \$159,347 understated.

Table A-3  
City of Mt. Vernon, Illinois' Capital Assets  
4/30/21

	Governmental Activities 4/30/21	Governmental Activities 4/30/20	Business-Type Activities 4/30/21	Business-Type Activities 4/30/20	Total 4/30/21	Total 4/30/20
Land	\$ 6,050,257	\$ 5,904,958	\$ 150,379	\$ 150,379	\$ 6,200,636	\$ 6,055,337
Buildings and improvements	6,544,086	6,544,086	12,456,385	12,456,385	19,000,471	19,000,471
Equipment	12,867,330	12,615,784	1,752,326	1,937,217	14,619,656	14,553,001
Infrastructure	62,123,250	60,486,643	46,723,193	44,021,714	108,846,443	104,508,357
Total	<u>\$87,584,923</u>	<u>\$85,551,471</u>	<u>\$61,082,283</u>	<u>\$58,565,695</u>	<u>\$148,667,206</u>	<u>\$144,117,166</u>

### Long-Term Debt:

At year-end, the City had \$37,270,000 in bonds outstanding - an increase of \$5,690,000 over the prior year. Other long-term debt outstanding at year end was \$2,922,714, a decrease of \$731,402. 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  
4/30/21

	Governmental Activities 4/30/21	Governmental Activities 4/30/20	Business-Type Activities 4/30/21	Business-Type Activities 4/30/20	Total 4/30/21	Total 4/30/20
General obligation bonds	\$32,184,462	\$25,403,027	\$5,085,538	\$ 6,176,973	\$37,270,000	\$31,580,000
Compensated absences	310,992	337,383	67,965	62,010	378,957	399,393
Other long-term debt	781,868	1,108,190	2,140,846	2,545,926	2,922,714	3,654,116
Net pension obligation	21,046,057	32,304,870	(321,479)	377,094	20,724,578	32,681,964
Net other post employment benefits obligation	6,479,504	9,089,947	1,113,072	1,561,503	7,592,576	10,651,450
	<u>\$60,802,883</u>	<u>\$68,243,417</u>	<u>\$8,085,942</u>	<u>\$10,723,506</u>	<u>\$68,888,825</u>	<u>\$78,966,923</u>

### NEXT YEAR'S BUDGET HIGHLIGHTS

We prepare a budget for all the City funds except for the Police and Firefighters' Pension Funds. The budget for 2021-2022 includes total City-wide budgeted expenditures of \$67,215,620.

The City projects an Operating Working Fund Balance in the General Corporate Fund of \$5,978,358 at April 30, 2022. Total operating expenditures in the General Corporate Fund are projected to be \$14,950,882 for the fiscal year ending April 30, 2022 with a budgeted surplus in operations of \$33,007. A total of \$1 million is also budgeted to transfer to the Capital Projects Fund. We project to have an Operating Working Fund Balance at April 30, 2021 which is equal to 4.8 months of operating expenditures. For budget purposes the Aquatic Zoo Fund is not included in the General Corporate Fund and is anticipating a negative working fund balance of \$(175,425) at April 30, 2022.

We anticipate an increase of \$250,000 in the 1% State Sales Tax, \$151,249 increase in Hotel/Motel taxes, and an increase of \$30,000 in video gaming tax above 2020-2021 revenues. This is due to a decrease in COVID-19 related effects.

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

All City departments were required to have no increase in their 2021-2022 operating budgets, exclusive of payroll, from their 2020-2021 operating budgets. Total expenditures in the General Corporate Fund were budgeted to increase by \$41,085 from the prior fiscal year 2020-2021.

General Corporate's repayment for labor and equipment from the Motor Fuel Tax Fund is not budgeted for 2021-2022 after not being paid for the previous three years. We hope to be able to continue this "no charge" in the future.

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

The City will manage the Aquatic Zoo for the 2021 season with internal staff. This fund incurred an abnormal number of repairs for 2019-2020 and continued that trend for 2020-2021. Also, the facility was closed for approximately one-third of the normal operating season in 2020 and reopened with limited capacity thereafter due to COVID-19 mitigations. It is projected to have an operating deficit for 2021-2022 of \$(175,425). In 2021-2022 this will be the eighth season of operations.

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

Included in this class of funds is the Quality of Life Fund. We are projecting a total Working Fund Balance on April 30, 2022 of \$266,247 in this fund. A new police station was budgeted for \$6 million in this fund and will be paid for from the Series 2020 bonds.

The General Corporate Capital Projects Fund is another special revenue fund and we are proposing to spend \$3.04 million for capital and infrastructure expenditures and related debt service expenses during 2021-2022. We are projecting a total Working Fund Balance on April 30, 2022 of \$419,298 in this fund.

The Home Rule Sales Tax Fund, another special revenue fund, is projected to have a total Working Fund balance of \$357,997 at April 30, 2022. A total of \$10.38 million has been budgeted in this fund for equipment, capital, and infrastructure expenditures in 2021-2022.

A new Special Revenue Fund, the Pension Sales Tax Fund, was created on April 30, 2021 for the 0.25% Home Rule Sales Tax that went into effect July 1, 2020. As noted earlier, this sales tax will subsidize the property taxes levied for pension funds, including IMRF, FICA, Medicare, Police Pension, and the Firefighters' Pension. The Working Fund balance in this fund is projected to be \$97,508 on April 30, 2022.

The total Working Fund Balance of the eleven Special Revenue Funds at April 30, 2022 is projected to be \$2,893,955. Three TIF (Tax Increment Financing) funds are included in these funds.

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

The Water Fund is projected to have an operating surplus of \$492,085 for 2021-2022. The Working Fund Balance for operations is projected to be \$1,030,685 on April 30, 2022 and total expenditures for operations of \$3,933,481. On May 1, 2021, there was no increase in water rates for operations. The Water Fund is proposing \$4.526 million of capital expenses, infrastructure improvements and related debt service expenses for fiscal year 2021-2022.

The Sewer Fund is projected to have an operating deficit of \$(139,825) for 2021-2022, which will be partially subsidized by a projected \$332,000 transfer from the Water Fund's operations, a Working Fund Balance for operations at April 30, 2022 of \$644,147 and total expenditures for operations of \$3,085,592. A 5% increase in the sewer rate was passed by the City Council effective May 1, 2021 and was budgeted for in the fiscal year 2021-2022. The Sewer Fund is proposing \$5.2 million of capital expenses, infrastructure improvements and related debt service expenses for fiscal year 2021-2022.

The City Council previously restricted revenue from 3% water and sewer rate increases on May 1, 2009, November 1, 2009, November 1, 2010, November 1, 2011 and November 1, 2012 for capital, infrastructure improvements and related debt service expenses, which are being accounted for in the Water Fund. They also restricted revenues from a 2% water and sewer rate increase on November 1, 2016 and each November 1<sup>st</sup> thereafter, until suspended, for the same purposes, which are being accounted for in the Water and Sewer Funds.

The Sanitation Fund is projecting a Working Fund Balance of \$105,952 at April 30, 2021. The garbage rates were not increased on May 1, 2020 and are still at \$19.00 per month.

The City's self-insured Health Insurance Fund, which is considered an "Internal Service Fund", is projected to have a Working Fund Balance of \$1,801,144 at April 30, 2021. We are estimating no increase in our rates effective January 1, 2021 and had no increase on January 1, 2020 or the two previous years. Effective May 1, 2016 we transferred our health insurance coverage for 56 retirees to Medicare Plan F coverage and have since transferred additional retirees to this plan.

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

On October 1, 2012, the City Council passed as an ordinance the "City of Mt. Vernon, IL Financial Policies", which, among other things, implemented a policy as to the amount of Operating Working Fund Balance that each fund should maintain. On April 30, 2021, the City is in compliance with that policy in all but the following funds:

	Operating Working Fund Balance	Amount Required	Shortage
Downtown TIF	\$ (2,093)	\$ 99,933	\$(102,026)
Water Fund	\$ 30,994	\$288,961	\$(257,967)
Sewer Fund	\$168,621	\$257,172	\$(106,551)

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, 2021

	General Corporate Fund			Totals
	Restricted & Nonspendable Amounts	Unassigned Aquatic Zoo Amounts	Unassigned Amounts (Operating)	
<b>Revenues:</b>				
Sales taxes	\$ -0-	\$ -0-	\$ 9,910,986	\$ 9,910,986
Use taxes	-0-	-0-	687,268	687,268
Hotel/motel taxes	-0-	-0-	711,307	711,307
Property tax levied for general purposes	-0-	-0-	287,007	287,007
Property tax levied for employee benefits	665,695	-0-	-0-	665,695
Franchise taxes	-0-	-0-	137,982	137,982
Public service taxes	-0-	-0-	2,668,785	2,668,785
Unrestricted investment income	-0-	49	34,899	34,948
Miscellaneous	2,277	-0-	46,282	48,559
Operating grants and contributions	-0-	-0-	757,152	757,152
Charges for services	26,451	118,352	550,623	695,426
<b>Total revenues</b>	<u>694,423</u>	<u>118,401</u>	<u>15,792,291</u>	<u>16,605,115</u>
<b>Expenditures:</b>				
Current				
General government	-0-	-0-	3,230,868	3,230,868
Public safety				
Police	7,545	-0-	4,956,346	4,963,891
Fire	-0-	-0-	3,108,730	3,108,730
Public works	-0-	-0-	1,590,239	1,590,239
Engineering services	-0-	-0-	390,067	390,067
Culture and recreation	-0-	329,160	516,784	845,944
IMRF, FICA and Medicare (total of all departments)	708,549	-0-	(708,549)	-0-
Debt service				
Principal retirement	-0-	-0-	120,323	120,323
Interest and fiscal charges	-0-	-0-	19,429	19,429
<b>Total expenditures</b>	<u>716,094</u>	<u>329,160</u>	<u>13,224,237</u>	<u>14,269,491</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,671)</u>	<u>(210,759)</u>	<u>2,568,054</u>	<u>2,335,624</u>
<b>Other financing sources (uses):</b>				
Transfers from other funds	-0-	-0-	674,709	674,709
Transfers to other funds	-0-	-0-	(708,550)	(708,550)
Sale of assets	-0-	-0-	238,257	238,257
<b>Total other financing sources (uses)</b>	<u>-0-</u>	<u>-0-</u>	<u>204,416</u>	<u>204,416</u>
Net change in fund balances	(21,671)	(210,759)	2,772,470	2,540,040
Fund balances, beginning	244,000	89,935	5,497,511	5,831,446
Fund balances, ending	<u>\$222,329</u>	<u>\$ (120,824)</u>	<u>\$ 8,269,981</u>	<u>\$ 8,371,486</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, 2021

	Water Fund				Totals
	Committed Amounts	Net Investment in Capital Assets	Other Long-Term Amounts	Unrestricted Amounts (Operating)	
<u>Operating revenues:</u>					
User charges	\$ 628,664	\$ -0-	\$ -0-	\$ 4,153,902	\$4,782,566
Other operating revenue	-0-	-0-	-0-	31,908	31,908
Total operating revenues	<u>628,664</u>	<u>-0-</u>	<u>\$ -0-</u>	<u>4,185,810</u>	<u>4,814,474</u>
<u>Operating expenses:</u>					
Administration	(105,110)	(385,497)	(242,155)	2,096,453	1,363,691
Cost of sales and services	-0-	-0-	-0-	2,027,238	2,027,238
Depreciation	-0-	535,454	-0-	-0-	535,454
Total operating expenses	<u>(105,110)</u>	<u>149,957</u>	<u>(242,155)</u>	<u>4,123,691</u>	<u>3,926,383</u>
Operating income (loss)	<u>733,774</u>	<u>(149,957)</u>	<u>242,155</u>	<u>62,119</u>	<u>888,091</u>
<u>Non-operating revenues (expenses):</u>					
Non-operating revenues	112,024	-0-	-0-	-0-	112,024
Property tax revenue	38,200	-0-	-0-	-0-	38,200
Interest and fiscal charges - bonds	(315,711)	-0-	-0-	-0-	(315,711)
Principal paid on debt	(1,014,703)	1,014,703	-0-	-0-	-0-
Unamortized bond premium	-0-	-0-	(894,558)	894,558	-0-
Gain on withdraw of assets from service	-0-	26,150	-0-	-0-	26,150
Capital expenses that will be depreciated	(1,946,531)	1,946,531	-0-	-0-	-0-
Total non-operating revenues (expenses)	<u>(3,126,721)</u>	<u>2,987,384</u>	<u>(894,558)</u>	<u>894,558</u>	<u>(139,337)</u>
Income before contributions and transfers	(2,392,947)	2,837,427	(652,403)	956,677	748,754
Capital contributions from State	763,290	-0-	-0-	-0-	763,290
Transfers from (to) other funds	1,369,095	-0-	-0-	(332,000)	1,037,095
Change in net position	(260,562)	2,837,427	(652,403)	624,677	2,549,139
Net position - beginning	<u>163,741</u>	<u>6,377,736</u>	<u>(1,668,299)</u>	<u>300,875</u>	<u>5,174,053</u>
Total net position - ending	<u>\$ (96,821)</u>	<u>\$9,215,163</u>	<u>\$ (2,320,702)</u>	<u>\$ 925,552</u>	<u>\$7,723,192</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, 2021

	Sewer Fund				Totals
	Committed Amounts	Net Investment in Capital Assets	Other Long-Term Amounts	Unrestricted Amounts (Operating)	
<u>Operating revenues:</u>					
User charges	\$ 590,135	\$ -0-	\$ -0-	\$2,655,427	\$ 3,245,562
Other operating revenue	-0-	-0-	-0-	27,417	27,417
Total operating revenues	<u>590,135</u>	<u>-0-</u>	<u>-0-</u>	<u>2,682,844</u>	<u>3,272,979</u>
<u>Operating expenses:</u>					
Administration	-0-	30	(63,717)	918,303	854,616
Cost of sales and services	-0-	-0-	-0-	2,279,655	2,279,655
Depreciation	-0-	641,012	-0-	-0-	641,012
Total operating expenses	<u>-0-</u>	<u>641,042</u>	<u>(63,717)</u>	<u>3,197,958</u>	<u>3,775,283</u>
Operating income (loss)	<u>590,135</u>	<u>(641,042)</u>	<u>63,717</u>	<u>(515,114)</u>	<u>(502,304)</u>
<u>Non-operating revenues (expenses):</u>					
Non-operating revenues	11,110	-0-	-0-	53,165	64,275
Interest and fiscal charges	-0-	-0-	-0-	(4,804)	(4,804)
Principal paid on debt	-0-	37,275	-0-	(37,275)	-0-
Gain on withdrawal of assets from service	-0-	30	-0-	-0-	30
Capital expenses that will be depreciated	(764,873)	764,873	-0-	-0-	-0-
Total non-operating revenues (expenses)	<u>(753,763)</u>	<u>802,178</u>	<u>-0-</u>	<u>11,086</u>	<u>59,501</u>
Income before contributions and transfers	<u>(163,628)</u>	<u>161,136</u>	<u>63,717</u>	<u>(504,028)</u>	<u>(442,803)</u>
Capital contributions from State	248,394	-0-	-0-	-0-	248,394
Transfers from other funds	<u>1,009,282</u>	<u>-0-</u>	<u>-0-</u>	<u>11,289</u>	<u>1,020,571</u>
Change in net position	1,094,048	547,661	63,717	(815,547)	826,162
Net position - beginning	<u>2,167,877</u>	<u>12,166,528</u>	<u>(386,525)</u>	<u>661,360</u>	<u>14,609,240</u>
Total net position - ending	<u>\$3,261,925</u>	<u>\$12,327,664</u>	<u>\$ (322,808)</u>	<u>\$ 168,621</u>	<u>\$15,435,402</u>

BASIC FINANCIAL STATEMENTS

CITY OF MT. VERNON, ILLINOIS  
STATEMENT OF NET POSITION  
For the Fiscal Year Ended April 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 28,630,301	\$ 3,980,895	\$ 32,611,196
Investments	82,687	2,882	85,569
Receivables:			
Accounts, net	1,122,833	906,903	2,029,736
Notes	40,478	-0-	40,478
Due from other funds	251,580	216	251,796
Due from other governments and their agencies	2,688,280	663,394	3,351,674
Property and replacement taxes, net	3,495,876	-0-	3,495,876
Interest	-0-	713	713
Prepaid	3,314	-0-	3,314
Inventories	1,564	100,279	101,843
Prepaid expenses	461,527	83,354	544,881
Restricted assets	320,107	293,434	613,541
Net pension obligation (asset)	51,994	321,479	373,473
Property and equipment			
Land, improvements, buildings, lines	48,513,262	28,673,450	77,186,712
Other capital assets	4,134,594	29,352	4,163,946
<b>Total Assets</b>	<b><u>\$ 89,798,397</u></b>	<b><u>\$35,056,351</u></b>	<b><u>\$124,854,748</u></b>
<b>Liabilities</b>			
Payables			
Accounts	\$ 1,137,088	\$ 891,440	\$ 2,028,528
Payroll and related liabilities	1,150,963	173,659	1,324,622
Accrued interest payable	569,269	128,236	697,505
Liabilities payable from restricted assets	101,301	293,434	394,735
Due to other funds	265,428	216	265,644
General obligation bonds and long-term debt			
Due within one year	1,709,627	912,823	2,622,450
Due in more than one year	31,256,703	6,313,561	37,570,264
Net pension obligation	21,098,051	-0-	21,098,051
Net other post employment benefits obligation	6,479,504	1,113,072	7,592,576
Unamortized bond premium	5,578,118	894,558	6,472,676
<b>Total Liabilities</b>	<b><u>\$ 69,346,052</u></b>	<b><u>\$10,720,999</u></b>	<b><u>\$ 80,067,051</u></b>
<b>Deferred Inflows of Resources</b>			
Deferred pension and OPEB charges	\$ 8,513,339	\$ 957,359	\$ 9,470,698
Deferred revenue	204,723	72,487	277,210
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 8,718,062</u></b>	<b><u>\$ 1,029,846</u></b>	<b><u>\$ 9,747,908</u></b>
<b>Net Position</b>			
Net investment in capital assets	\$ 20,643,491	\$21,582,827	\$ 42,226,318
Restricted for:			
Public works	1,529,648	-0-	1,529,648
Inventory items	1,564	-0-	1,564
Unrestricted	(10,440,420)	1,722,679	(8,717,741)
<b>Total Net Position</b>	<b><u>\$ 11,734,283</u></b>	<b><u>\$23,305,506</u></b>	<b><u>\$ 35,039,789</u></b>

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

CITY OF MT. VERNON, ILLINOIS  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended April 30, 2021

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	\$ 6,763,890	\$ 1,142,864	\$ -0-	\$ 160,153	\$ (5,460,873)
Public safety:					
Police	4,405,595	237,596	-0-	-0-	(4,167,999)
Fire	3,077,425	800	67,967	-0-	(3,008,658)
Public works	1,984,409	-0-	-0-	1,050,386	(934,023)
Engineering services	343,731	-0-	-0-	-0-	(343,731)
Health and sanitation	-0-	-0-	46,425	-0-	46,425
Culture and recreation	1,072,187	140,710	55,945	-0-	(875,532)
Community development	1,621,145	41,956	642,760	-0-	(936,429)
Interest on long-term debt	467,366	-0-	-0-	-0-	(467,366)
Total government activities	<u>19,735,748</u>	<u>1,563,926</u>	<u>813,097</u>	<u>1,210,539</u>	<u>(16,148,186)</u>
Business-type activities:					
Water, Sewer, and Sanitation Funds (includes interest expense of \$395,202)	9,209,707	9,414,385	-0-	1,011,684	1,216,362
Total business-type activities	<u>9,209,707</u>	<u>9,414,385</u>	<u>-0-</u>	<u>1,011,684</u>	<u>1,216,362</u>
Totals	<u>\$28,945,455</u>	<u>\$10,978,311</u>	<u>\$813,097</u>	<u>\$2,222,223</u>	<u>\$ (14,931,824)</u>
		Governmental Activities	Business-Type Activities	Total	
Change in net position:					
Net (expense) revenue		<u>\$ (16,148,186)</u>	<u>\$ 1,216,362</u>	<u>\$ (14,931,824)</u>	
General revenues:					
Taxes:					
Sales taxes	17,978,795	-0-	17,978,795		
Use taxes	687,268	-0-	687,268		
Hotel/motel taxes	969,041	-0-	969,041		
Property taxes levied for general purposes	1,725,978	-0-	1,725,978		
Property taxes levied for employee benefits	691,784	38,200	729,984		
Franchise taxes	137,982	-0-	137,982		
Public service taxes	2,667,365	-0-	2,667,365		
Gain on sale of fixed assets	212,390	26,180	238,570		
Grants and contributions not restricted to specific programs	4,500	-0-	4,500		
Unrestricted investment income	91,633	4,805	96,438		
Miscellaneous	71,805	-0-	71,805		
Transfers	(2,487,704)	2,057,666	(430,038)		
Total general revenues and transfers	<u>22,750,837</u>	<u>2,126,851</u>	<u>24,877,688</u>		
Change in net position	6,602,651	3,343,213	9,945,864		
Net position - beginning	<u>5,131,632</u>	<u>19,962,293</u>	<u>25,093,925</u>		
Net position - ending	<u>\$ 11,734,283</u>	<u>\$23,305,506</u>	<u>\$ 35,039,789</u>		

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

CITY OF MT. VERNON, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
April 30, 2021

	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Home Rule Tax	TIF Downtown	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ 7,237,554	\$ 7,349,170	\$ 89,130	\$1,479,091	\$8,844,140	\$ 246,307	\$ 617,962	\$ 25,863,354
Investments	355	13,493	12,613	230	-0-	-0-	-0-	26,691
Receivables								
Accounts, net	46,334	-0-	557,064	-0-	435,473	1,600	592,494	1,632,965
Notes	40,478	-0-	-0-	-0-	-0-	-0-	-0-	40,478
Due from other funds	251,580	-0-	-0-	-0-	-0-	-0-	-0-	251,580
Due from other governments and their agencies	2,024,526	310,995	117,857	50,327	-0-	-0-	184,575	2,688,280
Property and replacement taxes, net	441,331	-0-	-0-	-0-	-0-	475,021	1,139,795	2,056,147
Inventories	-0-	-0-	-0-	-0-	-0-	-0-	1,564	1,564
Prepaid expenses	4,451	-0-	-0-	-0-	-0-	-0-	-0-	4,451
Restricted assets	320,107	-0-	-0-	-0-	-0-	-0-	-0-	320,107
<b>Total Assets</b>	<b>\$ 10,366,716</b>	<b>\$ 7,673,658</b>	<b>\$ 776,664</b>	<b>\$1,529,648</b>	<b>\$9,279,613</b>	<b>\$ 722,928</b>	<b>\$2,536,390</b>	<b>\$ 32,885,617</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Payables								
Accounts	\$ 410,279	\$ 52,048	\$ 19,928	\$ -0-	\$ 400,538	\$ -0-	\$ 16,492	\$ 899,285
Payroll and related liabilities	833,056	-0-	-0-	-0-	-0-	-0-	14,641	847,697
Liabilities payable from restricted assets	101,301	-0-	-0-	-0-	-0-	-0-	-0-	101,301
Due to other funds	-0-	-0-	-0-	-0-	-0-	250,000	15,428	265,428
<b>Total liabilities</b>	<b>1,344,636</b>	<b>52,048</b>	<b>19,928</b>	<b>-0-</b>	<b>400,538</b>	<b>250,000</b>	<b>46,561</b>	<b>2,113,711</b>
Deferred inflows of resources								
Deferred revenue	650,594	-0-	-0-	-0-	-0-	475,021	1,689,691	2,815,306
<b>Fund balances</b>								
Nonspendable:								
Inventories	-0-	-0-	-0-	-0-	-0-	-0-	1,564	1,564
Prepaid expenses	3,523	-0-	-0-	-0-	-0-	-0-	-0-	3,523
Restricted:								
Dare donations - Police (General Corporate)	447	-0-	-0-	-0-	-0-	-0-	-0-	447
DUI (General Corporate)	100,247	-0-	-0-	-0-	-0-	-0-	-0-	100,247
Federal Drug Force (General Corporate)	29,351	-0-	-0-	-0-	-0-	-0-	-0-	29,351
State/Local drug (General Corporate)	36,411	-0-	-0-	-0-	-0-	-0-	-0-	36,411
Anti-crime FNS	49,054	-0-	-0-	-0-	-0-	-0-	-0-	49,054
Unclaimed evidence	109	-0-	-0-	-0-	-0-	-0-	-0-	109
Park donations	3,187	-0-	-0-	-0-	-0-	-0-	-0-	3,187
Public works	-0-	-0-	-0-	1,529,648	-0-	-0-	-0-	1,529,648
Committed:								
Community development	-0-	-0-	-0-	-0-	-0-	(2,093)	503,890	501,797
Committed revenues	-0-	7,612,036	-0-	-0-	-0-	-0-	-0-	7,612,036
Convention and Visitors' Bureau Fund	-0-	-0-	-0-	-0-	-0-	-0-	128,763	128,763
Home Rule Tax Fund	-0-	-0-	-0-	-0-	8,879,075	-0-	-0-	8,879,075
Capital, infrastructure, and related debt service expenditures - Taxes	-0-	-0-	676,545	-0-	-0-	-0-	-0-	676,545
Pension sales tax	-0-	-0-	-0-	-0-	-0-	-0-	165,921	165,921
Unassigned, reported in								
General Corporate	8,149,157	-0-	-0-	-0-	-0-	-0-	-0-	8,149,157
Special revenue funds	-0-	9,574	80,191	-0-	-0-	-0-	-0-	89,765
<b>Total fund balances</b>	<b>8,371,486</b>	<b>7,621,610</b>	<b>756,736</b>	<b>1,529,648</b>	<b>8,879,075</b>	<b>(2,093)</b>	<b>800,138</b>	<b>27,956,600</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 10,366,716</b>	<b>\$ 7,673,658</b>	<b>\$ 776,664</b>	<b>\$1,529,648</b>	<b>\$9,279,613</b>	<b>\$ 722,928</b>	<b>\$2,536,390</b>	<b>\$ 32,885,617</b>

(Continued)

CITY OF MT. VERNON, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
April 30, 2021

	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	\$ 8,371,486	\$ 7,621,610	\$ 756,736	\$1,529,648	\$8,879,075	\$ (2,093)	\$ 800,138	\$ 27,956,600
Amounts reported for governmental activities in the statement of net assets are different because:								
Capital assets of \$87,584,923, net of accumulated depreciation of \$(34,937,067), are not financial resources and, therefore, are not reported in the funds (See Note 4).	8,549,636	23,265,512	15,921,445	2,066,819	2,066,664	-0-	777,780	52,647,856
Property taxes for 2020 payable in 2021	445,871	-0-	-0-	-0-	-0-	636,480	2,266,015	3,348,366
Unamortized bond premium cost	-0-	(3,000,459)	(1,603,341)	-0-	(887,206)	(87,112)	-0-	(5,578,118)
Road and bridge tax	152,051	-0-	-0-	-0-	-0-	-0-	-0-	152,051
Long-term debt	(389,284)	(17,283,759)	(9,114,951)	-0-	(5,260,752)	(525,000)	(392,584)	(32,966,330)
Accrued interest payable	(4,599)	(301,505)	(160,545)	-0-	(89,859)	(9,247)	(3,516)	(569,271)
Sick pay recorded as a liability of the fund	(303,266)	-0-	-0-	-0-	-0-	-0-	-0-	(303,266)
Deferred pension charges	-0-	-0-	-0-	-0-	-0-	-0-	(147,054)	(147,054)
Net pension obligation	(29,464,336)	-0-	-0-	-0-	-0-	-0-	51,994	(29,412,342)
Total OPEB obligation	(6,348,912)	-0-	-0-	-0-	-0-	-0-	(130,592)	(6,479,504)
General liability and business auto insurance - asset of the fund	454,230	165	-0-	-0-	-0-	-0-	5,995	460,390
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	2,862,710	-0-	-0-	-0-	-0-	-0-	-0-	2,862,710
Current liabilities	(237,805)	-0-	-0-	-0-	-0-	-0-	-0-	(237,805)
Net position of governmental activities	<u>\$ (15,912,218)</u>	<u>\$ 10,301,564</u>	<u>\$ 5,799,344</u>	<u>\$ 3,596,467</u>	<u>\$ 4,707,922</u>	<u>\$ 13,028</u>	<u>\$ 3,228,176</u>	<u>\$ 11,734,283</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, 2021

	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Home Rule Tax	TIF Downtown	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>								
Sales taxes	\$ 9,910,986	\$ 1,984,050	\$ 1,352,916	\$ -0-	\$ 3,968,099	\$ -0-	\$ 762,744	\$ 17,978,795
Use taxes	687,268	-0-	-0-	-0-	-0-	-0-	-0-	687,268
Hotel/motel taxes	711,307	-0-	-0-	-0-	-0-	-0-	257,734	969,041
Property taxes levied for general purposes	287,007	-0-	-0-	-0-	-0-	428,946	935,443	1,651,396
Property taxes levied for employee benefits	665,695	-0-	-0-	-0-	-0-	-0-	30,961	696,656
Franchise taxes	137,982	-0-	-0-	-0-	-0-	-0-	-0-	137,982
Public service taxes	2,668,785	-0-	-0-	-0-	-0-	-0-	-0-	2,668,785
Unrestricted investment income	34,948	11,268	6,092	1,013	32,259	89	816	86,485
Miscellaneous	48,559	-0-	21,700	-0-	-0-	-0-	1,530	71,789
Operating grants and contributions	757,152	-0-	-0-	-0-	-0-	-0-	55,945	813,097
Capital grants and contributions	-0-	-0-	160,153	1,050,386	-0-	-0-	-0-	1,210,539
Charges for services	695,426	-0-	-0-	-0-	-0-	33,536	-0-	728,962
<b>Total revenues</b>	<b>16,605,115</b>	<b>1,995,318</b>	<b>1,540,861</b>	<b>1,051,399</b>	<b>4,000,358</b>	<b>462,571</b>	<b>2,045,173</b>	<b>27,700,795</b>
<b>Expenditures:</b>								
<b>Current</b>								
General government	3,230,868	1,270,941	370,442	-0-	2,049,812	-0-	13,025	6,935,088
Public safety								
Police	4,963,891	-0-	-0-	-0-	-0-	-0-	-0-	4,963,891
Fire	3,108,730	-0-	-0-	-0-	-0-	-0-	-0-	3,108,730
Public works	1,590,239	-0-	-0-	309,535	-0-	-0-	-0-	1,899,774
Engineering services	390,067	-0-	-0-	-0-	-0-	-0-	-0-	390,067
Culture and recreation	845,944	-0-	-0-	-0-	-0-	-0-	365,870	1,211,814
Community development	-0-	-0-	-0-	-0-	-0-	1,043,256	592,870	1,636,126
Debt service								
Principal retirement	120,323	-0-	-0-	-0-	-0-	-0-	-0-	120,323
Interest and fiscal charges	19,429	552,956	409,006	-0-	-0-	-0-	10,960	992,351
<b>Total expenditures</b>	<b>14,269,491</b>	<b>1,823,897</b>	<b>779,448</b>	<b>309,535</b>	<b>2,049,812</b>	<b>1,043,256</b>	<b>982,725</b>	<b>21,258,164</b>
Excess (deficiency) of revenues over (under) expenditures	2,335,624	171,421	761,413	741,864	1,950,546	(580,685)	1,062,448	6,442,631
<b>Other financing sources (uses)</b>								
Transfers from other funds	674,709	-0-	-0-	-0-	-0-	-0-	708,550	1,383,259
Transfers to other funds	(708,550)	-0-	-0-	-0-	(2,057,666)	(16,000)	(1,088,747)	(3,870,963)
Sale of assets	238,257	-0-	-0-	-0-	-0-	-0-	-0-	238,257
Principal paid on long-term debt	-0-	(14,331,867)	(11,197,058)	-0-	-0-	(50,000)	(23,431)	(25,602,356)
Long-term debt issued (includes bond refunding proceeds of \$30,192,892)	-0-	20,284,218	10,718,292	-0-	6,147,958	612,112	-0-	37,762,580
<b>Total other financing sources (uses)</b>	<b>204,416</b>	<b>5,952,351</b>	<b>(478,766)</b>	<b>-0-</b>	<b>4,090,292</b>	<b>546,112</b>	<b>(403,628)</b>	<b>9,910,777</b>
Net change in fund balances	2,540,040	6,123,772	282,647	741,864	6,040,838	(34,573)	658,820	16,353,408
Fund balances, beginning	5,831,446	1,497,838	474,089	787,784	2,838,237	32,480	141,318	11,603,192
Fund balances, ending	\$ 8,371,486	\$ 7,621,610	\$ 756,736	\$1,529,648	\$ 8,879,075	\$ (2,093)	\$ 800,138	\$ 27,956,600

(Continued)

CITY OF MT. VERNON, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended April 30, 2021

	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 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	\$2,540,040	\$ 6,123,772	\$ 282,647	\$ 741,864	\$ 6,040,838	\$ (34,573)	\$ 658,820	\$ 16,353,408
Depreciation expense	(581,448)	(1,068,769)	(1,316,162)	(200,706)	(202,648)	-0-	(22,724)	(3,392,457)
Capital asset purchases	82,260	954,258	198,172	-0-	1,533,061	-0-	-0-	2,767,751
Bond premium accretion	-0-	404,062	256,921	-0-	-0-	-0-	-0-	660,983
Property taxes for 2020 payable in 2021	(951,726)	-0-	-0-	-0-	-0-	55,057	964,966	68,297
Debt principal paid	120,323	14,331,867	11,197,058	-0-	-0-	50,000	23,431	25,722,679
Accrued interest payable	(4,600)	(94,905)	(27,453)	-0-	(89,858)	(9,247)	280	(225,783)
Long-term debt proceeds	-0-	(20,284,218)	(10,718,292)	-0-	(6,147,958)	(612,112)	-0-	(37,762,580)
Capital asset disposals	(20,024)	-0-	(5,842)	-0-	-0-	-0-	-0-	(25,866)
Sick pay	(9,124)	-0-	-0-	-0-	-0-	-0-	-0-	(9,124)
Net pension obligation	1,134,693	-0-	-0-	-0-	-0-	-0-	49,327	1,184,020
Early retirement costs - I.M.R.F.	-0-	-0-	-0-	-0-	-0-	-0-	6,669	6,669
Total OPEB obligation	407,273	-0-	-0-	-0-	-0-	-0-	8,377	415,650
General liability and business auto insurance	(1,018)	-0-	-0-	-0-	-0-	-0-	(93)	(1,111)
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	840,115	-0-	-0-	-0-	-0-	-0-	-0-	840,115
Change in net position of governmental activities	<u>\$3,556,764</u>	<u>\$ 366,067</u>	<u>\$ (132,951)</u>	<u>\$ 541,158</u>	<u>\$ 1,133,435</u>	<u>\$ (550,875)</u>	<u>\$1,689,053</u>	<u>\$ 6,602,651</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, 2021

	Business-Type Activities Water Fund	Business-Type Activities Sewer Fund	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities - Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 625,243	\$ 3,222,451	\$133,201	\$ 3,980,895	\$2,766,947
Investments	2,882	-0-	-0-	2,882	55,996
Receivables:					
Accounts, net	488,079	350,168	68,656	906,903	39,767
Due from other Governments and their agencies	415,000	-0-	-0-	415,000	-0-
Due from other funds	-0-	248,394	216	248,610	-0-
Interest	713	-0-	-0-	713	-0-
Inventories	100,279	-0-	-0-	100,279	-0-
Prepaid expenses	43,998	39,356	-0-	83,354	-0-
Total current assets	<u>1,676,194</u>	<u>3,860,369</u>	<u>202,073</u>	<u>5,738,636</u>	<u>2,862,710</u>
Restricted assets:					
Cash and cash equivalents	293,434	-0-	-0-	293,434	-0-
Total restricted assets	<u>293,434</u>	<u>-0-</u>	<u>-0-</u>	<u>293,434</u>	<u>-0-</u>
Noncurrent assets:					
Property and equipment	16,126,097	12,507,353	40,000	28,673,450	-0-
Other capital assets	29,352	-0-	-0-	29,352	-0-
Net pension obligation (Asset)	255,039	66,440	-0-	321,479	-0-
Total noncurrent assets	<u>16,410,488</u>	<u>12,573,793</u>	<u>40,000</u>	<u>29,024,281</u>	<u>-0-</u>
Total Assets	<u>\$18,380,116</u>	<u>\$16,434,162</u>	<u>\$242,073</u>	<u>\$35,056,351</u>	<u>\$2,862,710</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Current liabilities:					
Payables					
Accounts	\$ 388,606	\$ 407,673	\$ 95,161	\$ 891,440	\$ 237,805
Payroll and related liabilities	153,383	20,276	-0-	173,659	-0-
Accrued interest payable	126,362	1,874	-0-	128,236	-0-
Due to other funds	216	-0-	-0-	216	-0-
Total current liabilities	<u>668,567</u>	<u>429,823</u>	<u>95,161</u>	<u>1,193,551</u>	<u>237,805</u>
Liabilities payable from restricted assets:					
Accounts payable and accrued liabilities	293,434	-0-	-0-	293,434	-0-
Total liabilities payable from restricted assets	<u>293,434</u>	<u>-0-</u>	<u>-0-</u>	<u>293,434</u>	<u>-0-</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
April 30, 2021

	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	7,941,253	179,689	-0-	8,120,942	-0-
Net other post employment benefits obligation	916,424	196,648	-0-	1,113,072	-0-
Total noncurrent liabilities	8,857,677	376,337	-0-	9,234,014	-0-
Total liabilities	9,819,678	806,160	95,161	10,720,999	237,805
Deferred inflows of resources					
Deferred pension and OPEB charges	764,759	192,600	-0-	957,359	-0-
Deferred revenue	72,487	-0-	-0-	72,487	-0-
Total deferred inflows of resources	837,246	192,600	-0-	1,029,846	-0-
Net position:					
Net investment in capital assets	9,215,163	12,327,664	40,000	21,582,827	-0-
Committed for:					
Restricted revenue	(96,821)	3,261,925	-0-	3,165,104	-0-
Unrestricted	(1,395,150)	(154,187)	106,912	(1,442,425)	2,624,905
Total net position	7,723,192	15,435,402	146,912	23,305,506	2,624,905
Total Liabilities and Fund Balances	\$18,380,116	\$16,434,162	\$242,073	\$35,056,351	\$2,862,710

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, 2021

	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	\$4,782,566	\$ 3,245,562	\$1,155,249	\$ 9,183,377	\$2,420,496
Other operating revenue	31,908	27,417	-0-	59,325	-0-
Total operating revenues	<u>4,814,474</u>	<u>3,272,979</u>	<u>1,155,249</u>	<u>9,242,702</u>	<u>2,420,496</u>
<u>Operating expenses</u>					
Administration	1,363,691	854,616	29,739	2,248,046	67,786
Cost of sales and services	2,027,238	2,279,655	1,157,783	5,464,676	1,517,749
Depreciation	535,454	641,012	-0-	1,176,466	-0-
Total operating expenses	<u>3,926,383</u>	<u>3,775,283</u>	<u>1,187,522</u>	<u>8,889,188</u>	<u>1,585,535</u>
Operating income (loss)	<u>888,091</u>	<u>(502,304)</u>	<u>(32,273)</u>	<u>353,514</u>	<u>834,961</u>
Non-operating revenues (expenses):					
Non-operating revenues	112,024	64,275	185	176,484	5,154
Property tax revenue	38,200	-0-	-0-	38,200	-0-
Interest and fiscal charges - bonds	(315,711)	(4,804)	-0-	(320,515)	-0-
Gain (loss) on withdrawal of assets from service	26,150	30	-0-	26,180	-0-
Total non-operating revenues (expenses)	<u>(139,337)</u>	<u>59,501</u>	<u>185</u>	<u>(79,651)</u>	<u>5,154</u>
Income (loss) before contributions and transfers	748,754	(442,803)	(32,088)	273,863	840,115
Capital contributions from State	763,290	248,394	-0-	1,011,684	-0-
Transfers from other funds	<u>1,037,095</u>	<u>1,020,571</u>	<u>-0-</u>	<u>2,057,666</u>	<u>-0-</u>
Change in net position	2,549,139	826,162	(32,088)	3,343,213	840,115
Net position - beginning	<u>5,174,053</u>	<u>14,609,240</u>	<u>179,000</u>	<u>19,962,293</u>	<u>1,784,790</u>
Total net position - ending	<u>\$7,723,192</u>	<u>\$15,435,402</u>	<u>\$ 146,912</u>	<u>\$23,305,506</u>	<u>\$2,624,905</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, 2021

	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	\$ 4,873,696	\$ 3,300,619	\$ 1,163,946	\$ 9,338,261	\$ 2,420,496
Cash payments to suppliers for goods and services	(2,529,322)	(2,880,920)	(1,183,769)	(6,594,011)	(1,443,830)
Cash payments to employees and professional contractors for services	(1,232,209)	(303,241)	(2,462)	(1,537,912)	(67,786)
Other operating revenues (expenses)	31,908	28,617	-0-	60,525	-0-
Net cash provided by (used for) operating activities	<u>1,144,073</u>	<u>145,075</u>	<u>(22,285)</u>	<u>1,266,863</u>	<u>908,880</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	1,037,095	1,020,571	-0-	2,057,666	-0-
Other non-operating revenues	40,575	-0-	-0-	40,575	-0-
Net cash provided by noncapital financing activities	<u>1,077,670</u>	<u>1,020,571</u>	<u>-0-</u>	<u>2,098,241</u>	<u>-0-</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(1,946,530)	(764,873)	-0-	(2,711,403)	-0-
Proceeds from sale of assets	26,150	30	-0-	26,180	-0-
Interest and fiscal charges paid	(343,394)	(5,194)	-0-	(348,588)	-0-
Proceeds from issuance of long term debt (net of issuance costs)	6,170,487	-0-	-0-	6,170,487	-0-
Principal paid on long-term debt	(6,735,168)	(37,275)	-0-	(6,772,443)	-0-
Capital contributions	1,134,999	-0-	-0-	1,134,999	-0-
Net cash (used for) capital and related financing activities	<u>(1,693,456)</u>	<u>(807,312)</u>	<u>-0-</u>	<u>(2,500,768)</u>	<u>-0-</u>
Cash flows from investing activities:					
Interest and customer penalty income received	70,428	64,276	185	134,889	5,152
Purchase of investments	-0-	-0-	-0-	-0-	(32,107)
Net cash provided by (used for) investing activities	<u>70,428</u>	<u>64,276</u>	<u>185</u>	<u>134,889</u>	<u>(26,955)</u>
Cash flows from nonexchange activities					
Property tax revenue	38,200	-0-	-0-	38,200	-0-
Net cash provided by nonexchange activities	<u>38,200</u>	<u>-0-</u>	<u>-0-</u>	<u>38,200</u>	<u>-0-</u>
Net increase (decrease) in cash and cash equivalents	636,915	422,610	(22,100)	1,037,425	881,925
Cash and cash equivalents at May 1, 2020	281,762	2,799,841	155,301	3,236,904	1,885,022
Cash and cash equivalents at April 30, 2021	<u>\$ 918,677</u>	<u>\$ 3,222,451</u>	<u>\$ 133,201</u>	<u>\$ 4,274,329</u>	<u>\$ 2,766,947</u>
Reconciliation of cash and cash equivalents:					
Current assets - cash and cash equivalents	\$ 625,243	\$ 3,222,451	\$ 133,201	\$ 3,980,895	\$ 2,766,947
Restricted assets - cash and cash equivalents	293,434	-0-	-0-	293,434	-0-
Total cash and cash equivalents	<u>\$ 918,677</u>	<u>\$ 3,222,451</u>	<u>\$ 133,201</u>	<u>\$ 4,274,329</u>	<u>\$ 2,766,947</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS  
 STATEMENT OF CASH FLOWS - INCREASE (DECREASE) IN CASH  
 AND CASH EQUIVALENTS  
 PROPRIETARY FUNDS  
 Year Ended April 30, 2021

	Business-Type Activities <u>Water Fund</u>	Business-Type Activities <u>Sewer Fund</u>	Business-Type Activities <u>Sanitation</u>	Business-Type Activities <u>Total</u>	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 888,091	\$ (502,304)	\$ (32,273)	\$ 353,514	\$ 834,961
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	535,454	641,012	-0-	1,176,466	-0-
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable	64,388	56,257	8,697	129,342	(39,767)
Decrease in inventories	22,169	-0-	-0-	22,169	-0-
(Increase) in prepaid expenses	(1,574)	(11,612)	-0-	(13,186)	-0-
Decrease in deferred pension charges	643,727	152,308	-0-	796,035	-0-
(Decrease) increase in accounts payable	(106,629)	39,241	1,291	(66,097)	113,686
(Decrease) in payroll and related liabilities payable	(5,819)	(5,294)	-0-	(11,113)	-0-
Increase in deferred revenue	15,065	-0-	-0-	15,065	-0-
(Decrease) in net pension obligation	(553,265)	(145,308)	-0-	(698,573)	-0-
(Decrease) in net other post employment benefits	(369,206)	(79,225)	-0-	(448,431)	-0-
Increase in customer deposits payable	11,672	-0-	-0-	11,672	-0-
Total adjustments	<u>255,982</u>	<u>647,379</u>	<u>9,988</u>	<u>913,349</u>	<u>73,919</u>
Net cash provided by (used for) operating activities	<u>\$ 1,144,073</u>	<u>\$ 145,075</u>	<u>\$ (22,285)</u>	<u>\$ 1,266,863</u>	<u>\$ 908,880</u>
Non-cash investing, capital, and financing activities					
Capital assets contributed	\$ 763,290	\$ -0-	\$ -0-	\$ 763,290	\$ -0-
Total non-cash investing, capital, and financing activities	<u>\$ 763,290</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 763,290</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, 2021

	Police Pension Fund	Firefighters' Pension Fund	Total Fiduciary Funds
Assets			
Cash and short-term investments	\$ 2,751,699	\$ 774,163	\$ 3,525,862
Investments, at fair value:			
U.S. government and agency obligations	5,171,042	-0-	5,171,042
Mutual funds	14,871,718	14,475,520	29,347,238
Annuities	461	-0-	461
Certificate of deposit	848,456	3,409,722	4,258,178
Total investments	<u>20,891,677</u>	<u>17,885,242</u>	<u>38,776,919</u>
Receivables:			
Accounts	140	-0-	140
Property and replacement taxes, net	1,196,174	1,275,451	2,471,625
Due from other funds	7,481	7,947	15,428
Interest and dividends	40,904	10,931	51,835
Total receivables	<u>1,244,699</u>	<u>1,294,329</u>	<u>2,539,028</u>
Total assets	<u>24,888,075</u>	<u>19,953,734</u>	<u>44,841,809</u>
Liabilities:			
Payables:			
Accounts	250	662	912
Benefits payable	140,342	118,575	258,917
Due to other funds	839	741	1,580
Total payables	<u>141,431</u>	<u>119,978</u>	<u>261,409</u>
Total liabilities	<u>141,431</u>	<u>119,978</u>	<u>261,409</u>
Net position - held in trust for pension benefits	<u>\$24,746,644</u>	<u>\$19,833,756</u>	<u>\$44,580,400</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, 2021

	Police Pension Fund	Firefighters' Pension Fund	Total Fiduciary Funds
ADDITIONS			
Contributions:			
Employer, property taxes	\$ 887,719	\$ 946,553	\$ 1,834,272
Employer, other funding	183,077	246,961	430,038
Employees	232,192	185,827	418,019
Member transfer contributions	46,232	-0-	46,232
	<u>1,349,220</u>	<u>1,379,341</u>	<u>2,728,561</u>
Investment income:			
Net appreciation (decline) in fair value of investments	4,091,854	4,161,885	8,253,739
Interest and dividends	339,276	267,741	607,017
Gain on sale of investments	1,553,436	1,253,468	2,806,904
	<u>5,984,566</u>	<u>5,683,094</u>	<u>11,667,660</u>
Investment expense	29,778	79,413	109,191
Net investment income	<u>5,954,788</u>	<u>5,603,681</u>	<u>11,558,469</u>
Total additions to net position	<u>7,304,008</u>	<u>6,983,022</u>	<u>14,287,030</u>
DEDUCTIONS			
Pensions paid to plan participants	1,662,859	1,408,542	3,071,401
Member transfer of service payments	59,754	-0-	59,754
Refunds of contributions	27,456	-0-	27,456
Administrative expenses	13,805	18,115	31,920
Total deductions	<u>1,763,874</u>	<u>1,426,657</u>	<u>3,190,531</u>
Increase in net position during the year	5,540,134	5,556,365	11,096,499
Net position held in trust for pension benefits - beginning of year	<u>19,206,510</u>	<u>14,277,391</u>	<u>33,483,901</u>
Net position held in trust for pension benefits - end of year	<u>\$24,746,644</u>	<u>\$19,833,756</u>	<u>\$44,580,400</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, 2021

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, 2022, 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, 2021.

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, 2021, 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 June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89"). GASB 89 requires that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, the interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type or enterprise fund. The requirement of GASB 89 are effective for reporting periods beginning after December 15, 2020, with earlier application encouraged. Management is currently evaluating the impact of GASB 89 on the City's financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* ("GASB 91"). GASB 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement improves the comparability of financial reporting for issuers by eliminating the option to recognize a liability for a conduit debt obligation. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 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, 2021 and 2020, the following deficit fund balances existed:

	<u>2021</u>	<u>2020</u>
General Corporate	\$(18,537,123)	\$(21,253,772)
Pension sales tax	N/A	\$ (217,627)

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, 2021:

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 Ins	\$ 2,711,032	\$ 2,711,032	\$ 2,711,032	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Bank Account	Banterra Bank	General Corp	18,621	18,621	18,621	-0-	-0-	-0-	-0-	-0-
Bank Account	Banterra Bank	General Corp	69,279	87,312	87,312	-0-	-0-	-0-	-0-	-0-
Bank Account	Banterra Bank	Water Fund	1,094,329	1,094,329	1,094,329	-0-	-0-	-0-	-0-	-0-
Bank Account	Banterra Bank	All Funds	23,300,437	23,282,502	23,282,502	-0-	-0-	-0-	-0-	-0-
Bank Account	Banterra Bank	Home Rule Tax	6,026,194	6,026,194	6,026,194	-0-	-0-	-0-	-0-	-0-
U.S. Treas. Investments	I.M.E.T.	MFT	230	230	-0-	-0-	-0-	230	-0-	-0-
U.S. Treas. Investments	I.M.E.T.	Water Fund	2,882	2,882	-0-	-0-	-0-	2,882	-0-	-0-
U.S. Treas. Investments	I.M.E.T.	General Corp Capital	12,613	12,613	-0-	-0-	-0-	12,613	-0-	-0-
U.S. Treas. Investments	I.M.E.T.	Quality of Life	13,493	13,493	-0-	-0-	-0-	13,493	-0-	-0-
U.S. Treas. Investments	I.M.E.T.	General Corp	125	125	-0-	-0-	-0-	125	-0-	-0-
U.S. Treas. Investments	I.M.E.T.	Health Insurance	611	611	-0-	-0-	-0-	611	-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	1,850	1,850	-0-	-0-	-0-	-0-	-0-	1,850
Total governmental and business-type activities			<u>\$33,307,081</u>	<u>\$33,307,179</u>	<u>\$33,219,990</u>	<u>\$ 55,385</u>	<u>\$-0-</u>	<u>\$29,954</u>	<u>\$ -0-</u>	<u>\$1,850</u>
Bank Account	Banterra Bank	Police Pension	\$ 541,222	\$ 541,222	\$ 541,222	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Certificate of deposit	American Express National Bank	Police Pension	159,432	159,432	159,432	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	1 <sup>st</sup> Merchant Bank	Police Pension	201,280	201,280	201,280	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Citi Bank NA	Police Pension	281,888	281,888	281,888	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Wells Fargo Bank NA	Police Pension	205,856	205,856	205,856	-0-	-0-	-0-	-0-	-0-
Mutual Funds	Charles Schwab	Police Pension	14,872,179	14,872,179	-0-	-0-	-0-	14,872,179	-0-	-0-
Investments	US Bank	Police Pension	562,909	562,909	562,909	-0-	-0-	-0-	-0-	-0-
Investments	Charles Schwab	Police Pension	2,210,476	2,210,476	2,210,476	-0-	-0-	-0-	-0-	-0-
Investments	U.S. Treasuries	Police Pension	1,611,562	1,611,562	1,611,562	-0-	-0-	-0-	-0-	-0-
Investments	Corporate Bonds	Police Pension	2,996,572	2,996,572	2,996,572	-0-	-0-	-0-	-0-	-0-
Total police pension			<u>\$23,643,376</u>	<u>\$23,643,376</u>	<u>\$ 8,771,197</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$14,872,179</u>	<u>\$ -0-</u>
Bank Account	Banterra Bank	Fire Pension	\$ 746,367	\$ 746,367	\$ 746,367	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Certificate of deposit	Ally Bank NA	Fire Pension	224,044	224,044	224,044	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Bank Hapoalim BM	Fire Pension	249,977	249,977	249,977	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Bank United, Inc.	Fire Pension	249,641	249,641	249,641	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Barclays Bank	Fire Pension	249,915	249,915	249,915	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Citi Bank	Fire Pension	110,345	110,345	110,345	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Comenity Cap Bank	Fire Pension	190,709	190,709	190,709	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Compass Bank	Fire Pension	250,913	250,913	250,913	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Goldman Sachs Bank	Fire Pension	242,173	242,173	242,173	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Merrick Bank	Fire Pension	49,898	49,898	49,898	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Morgan Stanley Bank	Fire Pension	193,162	193,162	193,162	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Morgan Stanley Bank	Fire Pension	141,268	141,268	141,268	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	New York Comm	Fire Pension	242,987	242,987	242,987	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Pinnacle Bank	Fire Pension	251,605	251,605	251,605	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	River Bank	Fire Pension	92,008	92,008	92,008	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Mountain Commerce	Fire Pension	147,322	147,322	147,322	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	MUFG Union Bank	Fire Pension	40,045	40,045	40,045	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Safra National Bank	Fire Pension	235,065	235,065	235,065	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Safra National Bank	Fire Pension	248,646	248,646	248,646	-0-	-0-	-0-	-0-	-0-
Investments	Peoples National Bank	Fire Pension	27,795	27,795	27,795	-0-	-0-	-0-	-0-	-0-
Mutual Funds	Charles Schwab	Fire Pension	14,475,520	14,475,520	-0-	-0-	-0-	-0-	14,475,520	-0-
Total firefighters' pension			<u>\$18,659,405</u>	<u>\$18,659,405</u>	<u>\$ 4,183,885</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$14,475,520</u>	<u>\$ -0-</u>
Total deposits with financial institutions and U.S. Treasury securities, and others			<u>\$75,609,862</u>	<u>\$75,609,960</u>	<u>\$46,175,072</u>	<u>\$ 55,385</u>	<u>\$-0-</u>	<u>\$29,954</u>	<u>\$29,347,699</u>	<u>\$1,850</u>

## Reported in financial statements as:

Cash and cash equivalents - unrestricted	\$32,611,196
Cash and cash equivalents - restricted	613,541
Investments	85,569
Cash overdraft recorded as accounts payable	(3,225)
Total governmental and business-type activities	<u>\$33,307,081</u>
Cash and cash equivalents - police pension	\$ 2,751,699
Investments - police pension	20,891,677
Total police pension	<u>\$23,643,376</u>
Cash and cash equivalents - firefighters' pension	\$ 774,163
Investments - firefighters' pension	17,885,242
Total firefighters' pension	<u>\$18,659,405</u>
Total all funds	<u>\$75,609,862</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, 2021 in the general corporate fund are detailed as follows:

	Restricted Assets - Cash	Liabilities	Restricted Fund Balance
Electrical licenses	\$ 13,510	\$ 13,510	\$ -0-
D.U.I. fines	100,247	-0-	100,247
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	36,411	-0-	36,411
Unclaimed evidence	69,279	69,170	109
Anti-crime FNS	49,054	-0-	49,054
Abandoned money	18,621	18,621	-0-
	<u>\$320,107</u>	<u>\$101,301</u>	<u>\$218,806</u>

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

	Restricted Fund Balance 5/1/2020	Additions	Reductions	Restricted Fund Balance 4/30/2021
Foreign fire insurance	\$ -0-			
Tax receipts		\$ 58,509		
Interest income		-0-		
Less qualifying expenditures for capital equipment			\$ 58,509	
Subtotal - foreign fire insurance				\$ -0-
Employee benefits	42,854			
Employee benefits receipts		-0-		
Less qualifying expenditures			42,854	
Subtotal - employee benefits				-0-
2% hotel/motel tax	-0-			
Tax receipts		324,856		
Less qualifying expenditures			324,856	
Subtotal - 2% hotel/motel tax				-0-
DUI fines	88,389			
Fine receipts		11,858		
Less qualifying expenditures			-0-	
Subtotal - DUI fines				100,247
Police Dare donations	2,011			
Donation receipts		-0-		
Less qualifying expenditures			1,564	
Subtotal - Police Dare donations				447

	Restricted Fund Balance 5/1/2020	Additions	Reductions	Restricted Fund Balance 4/30/2021
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	34,136			
Forfeiture receipts		-0-		
Less qualifying expenditures			4,785	
Subtotal - federal drug forfeitures				29,351
State/Local Drug forfeitures	25,249			
Forfeiture receipts		12,358		
Less qualifying expenditures			1,196	
Subtotal - State/Local Drug forfeitures				36,411
Anti-crime FNS	46,928			
Anti-crime FNS receipts		2,126		
Less anti-crime FNS expenditures			-0-	
Subtotal - Anti-crime FNS				49,054
Unclaimed evidence	-0-			
Unclaimed evidence receipts		109		
Less unclaimed evidence receipts			-0-	
Subtotal - Unclaimed evidence				109
I.M.R.F./F.I.C.A. tax levy	-0-			
Property taxes received for I.M.R.F., F.I.C.A., and Medicare		665,695		
Expenditures for I.M.R.F., F.I.C.A., and Medicare			665,695	
Subtotal - I.M.R.F./F.I.C.A. tax levy				-0-
	<u>\$242,754</u>	<u>\$1,075,511</u>	<u>\$1,099,459</u>	<u>\$218,806</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 \$191,461, expenditures were \$155,052 consisting of remodeling, tablets, LUCAS devices, subscriptions, etc., tax receipts were \$58,509 and interest income was \$283, leaving an ending balance of \$95,201. 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, 2021, in the enterprise fund consist of the following:

	Restricted Assets - Cash	Liabilities	Restricted Net Position Balance
Customer deposits	<u>\$293,434</u>	<u>\$293,434</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, 2021 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, 2021 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-	\$ 1,564	\$ 1,564
Prepaid expenses	3,523	-0-	-0-	-0-	-0-	-0-	-0-	3,523
Restricted:								
Dare donations - Police (General Corporate)	447	-0-	-0-	-0-	-0-	-0-	-0-	447
DUI (General Corporate)	100,247	-0-	-0-	-0-	-0-	-0-	-0-	100,247
Federal Drug Force (General Corporate)	29,351	-0-	-0-	-0-	-0-	-0-	-0-	29,351
State/Local drug (General Corporate)	36,411	-0-	-0-	-0-	-0-	-0-	-0-	36,411
Anti-crime FNS	49,054	-0-	-0-	-0-	-0-	-0-	-0-	49,054
Unclaimed evidence	109	-0-	-0-	-0-	-0-	-0-	-0-	109
Park donations	3,187	-0-	-0-	-0-	-0-	-0-	-0-	3,187
Public works	-0-	-0-	-0-	1,529,648	-0-	-0-	-0-	1,529,648
Committed:								
Community development	-0-	-0-	-0-	-0-	-0-	(2,093)	503,890	501,797
Committed revenues	-0-	7,612,036	-0-	-0-	-0-	-0-	-0-	7,612,036
Gas tax	-0-	-0-	-0-	-0-	-0-	-0-	128,763	128,763
Capital, infrastructure, and related debt service expenditures -								
Food and beverage tax	-0-	-0-	-0-	-0-	8,879,075	-0-	-0-	8,879,075
Diesel fuel	-0-	-0-	676,545	-0-	-0-	-0-	-0-	676,545
Telecommunication tax	-0-	-0-	-0-	-0-	-0-	-0-	165,921	165,921
Unassigned, reported in:								
General Corporate	8,149,157	-0-	-0-	-0-	-0-	-0-	-0-	8,149,157
Special Revenue Funds	-0-	9,574	80,191	-0-	-0-	-0-	-0-	89,765
Total fund balances	<u>\$8,371,486</u>	<u>\$7,621,610</u>	<u>\$756,736</u>	<u>\$1,529,648</u>	<u>\$8,879,075</u>	<u>\$(2,093)</u>	<u>\$800,138</u>	<u>\$27,956,600</u>

## Note 4. PROPERTY AND EQUIPMENT

Capital asset activity for the year ended April 30, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Non-depreciable assets:				
Land	\$ 5,904,958	\$ 158,241	\$ 12,942	\$ 6,050,257
Total non-depreciable assets	<u>5,904,958</u>	<u>158,241</u>	<u>12,942</u>	<u>6,050,257</u>
Depreciable assets:				
Infrastructure	60,486,643	1,636,607	-0-	62,123,250
Buildings	6,544,086	-0-	-0-	6,544,086
Machinery and equipment	4,430,629	448,279	240,412	4,638,496
Furniture and fixtures	1,248,247	42,547	-0-	1,290,794
Vehicles	6,936,908	482,077	480,945	6,938,040
Total depreciable assets	<u>79,646,513</u>	<u>2,609,510</u>	<u>721,357</u>	<u>81,534,666</u>
Total capital assets	<u>85,551,471</u>	<u>2,767,751</u>	<u>734,299</u>	<u>87,584,923</u>
Accumulated depreciation:				
Infrastructure	19,661,424	2,482,856	-0-	22,144,280
Buildings	3,231,788	197,845	-0-	3,429,633
Machinery and equipment	3,133,557	251,699	227,485	3,157,771
Furniture and fixtures	1,164,877	33,989	-0-	1,198,866
Vehicles	5,061,392	426,068	480,943	5,006,517
Total accumulated depreciation	<u>32,253,038</u>	<u>3,392,457</u>	<u>708,428</u>	<u>34,937,067</u>
Governmental activities capital assets, net	<u>\$53,298,433</u>	<u>\$ (624,706)</u>	<u>\$ 25,871</u>	<u>\$52,647,856</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	1,937,217	9,924	194,815	1,752,326
Water and sanitary sewer lines	44,021,714	2,701,479	-0-	46,723,193
Total depreciable assets	<u>58,415,316</u>	<u>2,711,403</u>	<u>194,815</u>	<u>60,931,904</u>
Total capital assets	<u>58,565,695</u>	<u>2,711,403</u>	<u>194,815</u>	<u>61,082,283</u>
Accumulated depreciation:				
Buildings and structures	10,142,214	233,082	-0-	10,375,296
Equipment	1,725,915	69,394	194,815	1,600,494
Water and sanitary sewer lines	19,529,701	873,990	-0-	20,403,691
Total accumulated depreciation	<u>31,397,830</u>	<u>1,176,466</u>	<u>194,815</u>	<u>32,379,481</u>
Business-type capital assets, net	<u>\$27,167,865</u>	<u>\$1,534,937</u>	<u>\$ -0-</u>	<u>\$28,702,802</u>

Depreciation expense is charged to functions as follows:

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
Public safety	\$ 488,831	Water Fund	\$ 535,454
Public works	2,070,498	Sewer Fund	641,012
Culture and recreation	92,241		<u>\$1,176,466</u>
General government	740,887		
	<u>\$3,392,457</u>		

## Note 5. LONG-TERM LIABILITIES

A summary of long-term liability activity is for the year ended April 30, 2021, 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
<b>Governmental activities:</b>									
General obligation bonds 2010A (includes \$24,842 issuance costs)	\$ 894,400	11/01/30	5.5%-6.2%	\$ 1,198,685	\$ -0-	\$ 1,198,685	\$-0-	\$ -0-	\$ -0-
General obligation bonds 2010B (includes \$40,773 issuance costs)	1,467,700	11/01/24	1.0%-5.5%	759,632	-0-	759,632	-0-	-0-	-0-
General obligation bonds 2012 (includes \$508,900 issuance costs and \$905,288 bond premium)	32,110,041	12/15/32	2.0%-5.0%	23,444,710	-0-	23,444,710	-0-	-0-	-0-
General obligation bonds 2020 (includes \$316,176 issuance costs and \$3,766,015 bond premium)	21,439,462	12/15/32	4.00%	-0-	21,439,462	-0-	-0-	21,439,462	1,035,359
General obligation bonds 2020 (includes \$158,461 issuance costs and \$1,812,103 bond premium)	10,745,000	12/15/40	4.00%	-0-	10,745,000	-0-	-0-	10,745,000	518,940
Line of credit dated 12/22/19 - unsecured - \$6,000,000 limit	6,000,000	11/20/21	1.75%	50,000	-0-	50,000	-0-	-0-	-0-
Note dated 12/30/16 - secured by 1% municipal sales tax	890,317	12/30/23	3.75%	537,851	-0-	126,992	-0-	410,859	131,881
Note dated 01/05/17 - unsecured	461,000	01/05/24	2.78%	394,440	-0-	23,431	-0-	371,009	23,920
Note dated 12/08/15 - secured by equipment	608,000	12/08/20	1.77%	125,899	-0-	125,899	-0-	-0-	-0-
Compensated absences				337,383	-0-	26,391	-0-	310,992	-0-
Net pension obligation				32,304,870	-0-	11,258,813	-0-	21,046,057	-0-
Net other post employment benefits obligation				9,089,947	-0-	2,610,443	-0-	6,479,504	-0-
				<u>68,243,417</u>	<u>32,184,462</u>	<u>39,624,996</u>	<u>-0-</u>	<u>60,802,883</u>	<u>1,710,100</u>
<b>Business-type activities:</b>									
General obligation bonds 2010A (includes \$70,704 issuance costs)	\$ 2,545,600	11/01/30	5.5%-6.2%	2,241,315	-0-	2,241,315	-0-	-0-	-0-
General obligation bonds 2010B (includes \$116,048 issuance costs)	4,177,300	11/01/24	1.0%-5.5%	1,420,368	-0-	1,420,368	-0-	-0-	-0-
General obligation bonds 2012 (includes \$54,598 issuance costs and \$97,125 bond premium)	3,444,959	12/15/32	2.0%-5.0%	2,515,290	-0-	2,515,290	-0-	-0-	-0-
General obligation bonds 2020 (includes \$74,215 issuance costs and \$894,558 bond premium)	5,085,538	12/15/32	4.00%	-0-	5,085,538	-0-	-0-	5,085,538	245,700
Illinois E.P.A. note payable dated 11/21/2020	194,902	11/21/40	1.38%	-0-	190,391	-0-	-0-	190,391	4,535
Note dated 12/30/16 secured by 1% municipal sales tax	230,583	12/30/23	3.75%	139,298	-0-	32,889	-0-	106,409	34,171
Note dated 08/07/18 - secured by 1% Home Rule Sales Tax	2,700,000	08/07/23	2.79%	2,189,664	-0-	525,306	-0-	1,664,358	539,591
Illinois E.P.A. note payable	652,277	01/01/25	2.50%	216,964	-0-	37,276	-0-	179,688	38,213
Compensated absences				62,010	5,955	-0-	-0-	67,965	-0-
Net pension obligation				377,094	-0-	698,573	-0-	(321,479)	-0-
Net other post employment benefits obligation				1,561,503	-0-	448,431	-0-	1,113,072	-0-
				<u>10,723,506</u>	<u>5,281,884</u>	<u>7,919,448</u>	<u>-0-</u>	<u>8,085,942</u>	<u>862,210</u>
<b>Totals</b>				<u>\$78,966,923</u>	<u>\$37,466,346</u>	<u>\$47,544,444</u>	<u>\$-0-</u>	<u>\$68,888,825</u>	<u>\$2,572,310</u>

On April 30, 2021 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, 2021, 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.

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

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

*Sources of Funds:*

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

*Uses of Funds:*

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

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

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

Principal and interest payments in subsequent years:

Year Ending April 30,	Notes and Mortgages			General Obligation Bonds			Totals		
	Scheduled		Total	Scheduled		Total	Scheduled		Total
	Principal	Interest		Principal	Interest		Principal	Interest	
2022	\$ 772,311	\$ 71,650	\$ 843,961	\$ 1,799,999	\$ 1,818,516	\$ 3,618,515	\$ 2,572,310	\$ 1,890,166	\$ 4,462,476
2023	800,003	50,479	850,482	2,215,001	1,405,800	3,620,801	3,015,004	1,456,279	4,471,283
2024	1,120,979	27,994	1,148,973	2,305,001	1,317,200	3,622,201	3,425,980	1,345,194	4,771,174
2025	50,652	3,513	54,165	2,400,000	1,225,000	3,625,000	2,450,652	1,228,513	3,679,165
2026	30,584	2,345	32,929	2,490,000	1,128,998	3,618,998	2,520,584	1,131,343	3,651,927
2027	9,747	1,950	11,697	2,594,999	1,029,400	3,624,399	2,604,746	1,031,350	3,636,096
2028	9,882	1,814	11,696	2,695,000	925,598	3,620,598	2,704,882	927,412	3,632,294
2029	10,019	1,677	11,696	2,800,001	817,800	3,617,801	2,810,020	819,477	3,629,497
2030	10,159	1,538	11,697	2,915,000	705,802	3,620,802	2,925,159	707,340	3,632,499
2031	10,300	1,397	11,697	3,030,000	589,200	3,619,200	3,040,300	590,597	3,630,897
2032	10,443	1,254	11,697	3,155,000	468,000	3,623,000	3,165,443	469,254	3,634,697
2033	10,588	1,109	11,697	3,274,999	341,802	3,616,801	3,285,587	342,911	3,628,498
2034	10,735	962	11,697	615,000	210,800	825,800	625,735	211,762	837,497
2035	10,884	813	11,697	640,000	186,200	826,200	650,884	187,013	837,897
2036	11,035	662	11,697	660,000	167,000	827,000	671,035	167,662	838,697
2037	11,188	508	11,696	680,000	147,200	827,200	691,188	147,708	838,896
2038	11,344	353	11,697	705,000	120,000	825,000	716,344	120,353	836,697
2039	11,501	196	11,697	735,000	91,800	826,800	746,501	91,996	838,497
2040	10,360	43	10,403	765,000	62,400	827,400	775,360	62,443	837,803
2041	-0-	-0-	-0-	795,000	31,800	826,800	795,000	31,800	826,800
	<u>\$2,922,714</u>	<u>\$170,257</u>	<u>\$3,092,971</u>	<u>\$37,270,000</u>	<u>\$12,790,316</u>	<u>\$50,060,316</u>	<u>\$40,192,714</u>	<u>\$12,960,573</u>	<u>\$53,153,287</u>

### Operating Leases

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, 2021 for this lease was \$3,262.

During the prior fiscal year, the City entered into a master equity lease agreement with Enterprise Fleet Management for forty-one vehicles with a lease term of forty eight months. The term of the agreement for each vehicle begins on the date such vehicle is delivered to Lessee (delivery date) and continues for the lease term (48 months). Two additional vehicles were leased during the current audit period. The total costs paid during the year ended April 30, 2021 for this lease was \$280,782.

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, 2021 for this lease was \$5,531.

The future minimum lease payments as of April 30, 2021 for the following years of the lease term are:

	<u>4/30/2022</u>	<u>4/30/2023</u>	<u>4/30/2024</u>	<u>4/30/2025</u>
Enterprise Fleet Management	\$278,229	\$278,229	\$147,949	\$7,134
US Bank Equipment Finance	5,783	5,783	5,782	964
Great America Financial Services	3,262	3,262	3,262	3,262

### 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, 2021, 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	\$21,098,051	\$ -0-	\$21,098,051	\$ -0-	\$21,098,051
Net pension assets	(51,994)	(321,479)	(373,473)	-0-	(373,473)
Deferred (inflows) of resources (not including OPEB)	(7,493,050)	(782,090)	(8,275,140)	(1,195,558)	(9,470,698)
Pension expense	1,184,010	279,567	1,463,577	-0-	1,463,577

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, 2021, was \$2,343,009 out of a total payroll of \$8,882,590. At April 30, 2021, 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	20
Nonvested	<u>20</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>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	30-60%	0.70%
Domestic equities	35-65%	5.80%
Cash and cash equivalents	0-5%	0.50%

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2021, are listed in the table above.

#### *Investment Valuations*

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

#### *Discount Rate*

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially

determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was blended with the index rate of 2.27% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2021, to arrive at a discount rate of 6.75% used to determine the total pension liability.

#### *Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net pension liability	\$15,375,188	\$10,289,233	\$6,165,674

The net position at April 30, 2021, consisted of the following components:

Reserved for employee contributions	\$ 8,568,757
Reserved for retirement benefits	24,535,228
Unreserved net position (deficit)	<u>(8,357,341)</u>
Net position	<u>\$24,746,644</u>

The components of the net pension liability at April 30, 2021 are as follows:

Total pension liability	\$35,035,876
Plan's fiduciary net position	<u>24,746,644</u>
Net pension liability	<u>\$10,289,232</u>

Plan fiduciary net position as a percentage of total pension liability	70.63%
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Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2021, the City recognized pension expense for police pension of \$639,500. At April 30, 2021, 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	\$ 162,991	\$ (230,990)	\$ (67,999)
Assumption changes	1,580,811	(2,211,448)	(630,637)
Net difference between projected and actual earnings on pension plan investments	<u>1,345,732</u>	<u>(3,786,856)</u>	<u>(2,441,124)</u>
Total	<u>\$3,089,534</u>	<u>\$ (6,229,294)</u>	<u>\$ (3,139,760)</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	
2022	\$ (507,988)
2023	(459,125)
2024	(528,973)
2025	(982,498)
2026	(194,712)
Thereafter	(466,464)
	<u>\$3,139,760</u>

#### *Rate of Return*

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 31.28% (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, 2021, was \$1,945,384 out of a total payroll of \$8,882,590. At April 30, 2021, 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>30</u>
Current employees	
Vested	29
Nonvested	5
	<u>34</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>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	0-80%	0.70%
Equities	0-15%	5.80%
International equities	0-5%	5.90%

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2021, are listed in the table above.

#### *Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities

and mutual funds and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

#### *Discount Rate*

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was blended with the index rate of 2.27% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2021, to arrive at a discount rate of 6.75% used to determine the total pension liability.

#### *Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$16,604,416	\$11,755,358	\$7,847,585

The net position at April 30, 2021, consisted of the following components:

Reserved for employee contributions	\$11,414,789
Reserved for retirement benefits	18,311,827
Unreserved net position (deficit)	<u>(9,892,860)</u>
Net position	<u>\$19,833,756</u>

The components of the net pension liability at April 30, 2021, are as follows:

Total pension liability	\$31,581,218
Plan's fiduciary net position	<u>19,833,756</u>
Net pension liability	<u>\$11,747,462</u>

Plan fiduciary net position as a percentage of  
total pension liability 62.78%

Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2021, the City recognized pension expense for fire pension of \$1,077,873. At April 30, 2021, 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	\$ 282,055	\$ (317,559)	\$ (35,504)
Assumption changes	1,068,854	(1,257,409)	(188,555)
Net difference between projected and actual earnings on pension plan investments	<u>2,021,807</u>	<u>(3,721,815)</u>	<u>(1,700,008)</u>
Total	<u>\$3,372,716</u>	<u>\$ 5,296,783</u>	<u>\$ (1,924,067)</u>

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

Year Ended April 30	
2022	\$ (187,065)
2023	(205,569)
2024	(422,205)
2025	(1,059,752)
2026	(49,476)
Thereafter	-0-
	<u>\$ (1,924,067)</u>

#### Rate of Return

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 37.57%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

#### Significant Investments

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

	Police Pension	Firefighters' Pension
Ishares Core S & P 500 ETF	\$5,806,515	\$ -0-
Vanguard FTSE Developed Markets ETF	3,676,513	-0-
NTL Value Portfolio	-0-	1,160,444
Vanguard Russell 2000 ETF	3,459,732	-0-
Schwab DFA US Large Cap Value	-0-	3,589,947
Schwab DFA US Large Co	-0-	2,990,441
Schwab DFA US Small Cap Port	-0-	1,248,757
Schwab DFA US Small Cap Value	-0-	2,321,453

### Funding Status and Progress

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

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Police Pension</b>			
Balances at May 1, 2020	<u>\$34,078,359</u>	<u>\$19,206,510</u>	<u>\$14,871,849</u>
Changes for the year:			
Service cost	585,683	-0-	585,683
Interest	2,231,420	-0-	2,231,420
Actuarial experience	(109,516)	-0-	(109,516)
Contributions - employer	-0-	1,070,796	(1,070,796)
Contributions - employee	-0-	232,192	(232,192)
Contributions - other	-0-	46,232	(46,232)
Net investment income	-0-	5,954,928	(5,954,928)
Benefit payments and refunds	(1,750,070)	(1,750,070)	-0-
Administrative expense	-0-	(13,944)	13,944
Net changes	<u>957,517</u>	<u>5,540,134</u>	<u>(4,582,617)</u>
Balances at April 30, 2021	<u>\$35,035,876</u>	<u>\$24,746,644</u>	<u>\$10,289,232</u>
<b>Firefighters' Pension</b>			
Balances beginning at May 1, 2020	<u>\$30,652,911</u>	<u>\$14,277,391</u>	<u>\$16,375,520</u>
Changes for the year:			
Service cost	505,285	-0-	505,285
Interest	2,009,957	-0-	2,009,957
Actuarial experience	(178,393)	-0-	(178,393)
Contributions - employer	-0-	1,185,567	(1,185,567)
Contributions - employee	-0-	185,827	(185,827)
Net investment income	-0-	5,603,680	(5,603,680)
Benefit payments and refunds	(1,408,542)	(1,408,542)	-0-
Administrative expense	-0-	(10,167)	10,167
Net changes	<u>928,307</u>	<u>5,556,365</u>	<u>(4,628,058)</u>
Balances ending at April 30, 2021	<u>\$31,581,218</u>	<u>\$19,833,756</u>	<u>\$11,747,462</u>

### Effects on the Pension Benefit Obligation of Current-Year Changes

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

### Actuarially Determined Contribution Requirements and Contributions Made

#### Police Pension and Firefighters' Pension

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

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

### Effects on the Contribution Requirements of Current-Year Changes

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

#### Trend Information

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

Statement of Fiduciary Net Position  
Fiduciary Funds  
As of April 30, 2021

	Police Pension Fund	Firefighters' Pension Fund	Total Fiduciary Funds
<b>Assets</b>			
Cash and short-term investments	\$ 2,751,699	\$ 774,163	\$ 3,525,862
Investments, at fair value:			
U.S. Government and agency obligations	5,171,042	-0-	5,171,042
Mutual funds	14,871,718	14,475,520	29,347,238
Annuities	461	-0-	461
Certificate of deposit	848,456	3,409,722	4,258,178
Total investments	<u>20,891,677</u>	<u>17,885,242</u>	<u>38,776,919</u>
Receivables:			
Accounts	140	-0-	140
Property and replacement taxes, net	1,196,174	1,275,451	2,471,625
Due to other funds	7,481	7,947	15,428
Interest and dividends	40,904	10,931	51,835
Total receivables	<u>1,244,699</u>	<u>1,294,329</u>	<u>2,539,028</u>
Total assets	<u>24,888,075</u>	<u>19,953,734</u>	<u>44,841,809</u>
<b>Liabilities</b>			
Payables:			
Accounts	250	662	912
Benefits payable	140,342	118,575	258,917
Due to other funds	839	741	1,580
Total payables	<u>141,431</u>	<u>119,978</u>	<u>261,409</u>
Total liabilities	<u>141,431</u>	<u>119,978</u>	<u>261,409</u>
Net position - held in trust for pension benefits	<u>\$24,746,644</u>	<u>\$19,833,756</u>	<u>\$44,580,400</u>

Statement of Changes in Net Position Available for Benefits  
Year Ended April 30, 2021

	Police Pension Fund	Firefighters' Pension Fund	Total Fiduciary Funds
<b>ADDITIONS</b>			
Contributions			
Employer, property taxes	\$ 887,719	\$ 946,553	\$ 1,834,272
Employer, other funding	183,077	246,961	430,038
Employees	232,192	185,827	418,019
Member transfer contributions	46,232	-0-	46,232
	<u>1,349,220</u>	<u>1,379,341</u>	<u>2,728,561</u>
Investment income			
Net appreciation (decline) in fair value of investments	4,091,854	4,161,885	8,253,739
Interest and dividends	339,276	267,741	607,017
Gain on sale of investments	1,553,436	1,253,468	2,806,904
	<u>5,984,566</u>	<u>5,683,094</u>	<u>11,667,660</u>
Investment expense	29,778	79,413	109,191
Net investment income	<u>5,954,788</u>	<u>5,603,681</u>	<u>11,558,469</u>
Total additions to net position	<u>7,304,008</u>	<u>6,983,022</u>	<u>14,287,030</u>
<b>DEDUCTIONS</b>			
Pensions paid to plan participants	1,662,859	1,408,542	3,071,401
Member transfer of service payments	59,754	-0-	59,754
Refunds of contributions	27,456	-0-	27,456
Administrative expenses	13,805	18,115	31,920
Total deductions	<u>1,763,874</u>	<u>1,426,657</u>	<u>3,190,531</u>
Increase in net position during the year	5,540,134	5,556,365	11,096,499
Net position held in trust for pension benefits - beginning of year	<u>19,206,510</u>	<u>14,277,391</u>	<u>33,483,901</u>
Net position held in trust for pension benefits - end of year	<u>\$24,746,644</u>	<u>\$19,833,756</u>	<u>\$44,580,400</u>

I.M.R.F.

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

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

Funding Policy - As set by statute, your employer regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2020 was 13.53%. The employer annual required contribution rate for calendar year 2019 was 10.36%. 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, 2020, the employer's actual contributions for pension cost for the calendar year 2020 were \$522,211. Its required contribution for calendar year 2019 was \$389,637.

The required contribution for 2020 was determined as part of the December 31, 2018 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2017, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.00% 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, 2018, is being amortized as a level percentage of projected payroll on an open 23 year basis.

Funded Status and Funding Progress - As of December 31, 2020, the most recent actuarial valuation date, the regular plan was 81.83% funded. The actuarial accrued liability for benefits was \$9,249,246 and the actuarial value of assets was \$7,568,217, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,681,029. The covered payroll for calendar year 2020 (annual payroll of active employees covered by the plan) was \$3,859,652 and the ratio of the UAAL to the covered payroll was 44%.

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

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll Closed
Asset Valuation Method	5 Year Smoothed Market, 20% Corridor
Wage Growth	3.50%
Price Inflation	2.25%
Salary Increases	2.85% to 13.15%
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, 2020 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)	\$2,256,773	\$(1,320,014)	\$(4,247,883)

The net position at April 30, 2021, consisted of the following components:

Reserved for employee contributions	\$ 3,072,984
Reserved for employer contributions	7,434,888
Reserved for retirement benefits	24,929,778
Miscellaneous adjustment	113,806
Net position	<u>\$35,551,456</u>

The components of the net pension liability at April 30, 2021, are as follows:

Total pension liability	\$34,231,442
Plan's fiduciary net position	<u>35,551,456</u>
Net pension liability (asset)	<u>\$(1,320,014)</u>

Plan fiduciary net position as a percentage of total pension liability	103.86%
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Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2021, the City recognized pension income for I.M.R.F. of \$402,378. At April 30, 2021, 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	\$ 65,429	\$ 38,875	\$ 26,554
Changes in assumptions	61,459	101,803	(40,344)
Net difference between projected and actual earnings on pension plan investments	<u>1,799,584</u>	<u>4,997,106</u>	<u>(3,197,522)</u>
Total	<u>\$1,926,472</u>	<u>\$5,137,784</u>	<u>\$(3,211,312)</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	
	2021	\$ (1,019,519)
	2022	(406,287)
	2023	(1,270,138)
	2024	(515,368)
	2025	-0-
		<u>\$ (3,211,312)</u>

Illinois Municipal Retirement Fund	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2019	<u>\$33,963,326</u>	<u>\$32,528,731</u>	<u>\$ 1,434,595</u>
Changes for the year:			
Service cost	394,797	-0-	394,797
Interest on the total pension liability	2,388,828	-0-	2,388,828
Differences between the expected and actual experience in the measurement of the pension liability	57,582	-0-	57,582
Changes of assumptions	(150,346)	-0-	(150,346)
Contributions - employer	-0-	522,212	(522,212)
Contributions - employee	-0-	173,685	(173,685)
Net investment income	-0-	4,868,272	(4,868,272)
Benefits payments, including refunds of employee contributions	(2,422,745)	(2,422,745)	-0-
Other changes (net transfer)	-0-	(118,699)	118,699
Net changes	<u>268,116</u>	<u>3,022,725</u>	<u>(2,754,609)</u>
Balances at December 31, 2020	<u>\$34,231,442</u>	<u>\$35,551,456</u>	<u>\$ (1,320,014)</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, 2021.

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 \$822,014, \$689,737 explicit payments and \$132,277 are implicit payments.

At April 30, 2021, 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, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Salary increase	2.75% including inflation
Discount rate	2.27%
Healthcare cost trend rates	7.5% for 4/30/21 decreasing to an ultimate rate of 5.0% for 2030 and later years

The discount rate was based on the 20 year bond GO index at the end of the fiscal year. The rate for the prior fiscal year was 2.56%.

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

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

### **Changes in the Net OPEB Liability**

	Net OPEB Liability
Balances at April 30, 2020	<u>\$10,651,450</u>
Changes for the year:	
Service cost	199,887
Interest	262,155
Differences between expected and actual experience	(2,652,753)
Changes of assumptions	(46,150)
Benefit payments	(822,014)
Net changes	<u>(3,058,875)</u>
Balances at April 30, 2021	<u>\$ 7,592,575</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.56% in 2020 to 2.27% in 2021.

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 2.56%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% point lower (1.56%) or 1% point higher (3.56%) than the current discount rate:

	1% Decrease <u>(1.27%)</u>	Current Discount Rate (2.27%)	1% Increase <u>(3.27%)</u>
Employer's Net OPEB liability	\$8,263,842	\$7,592,575	\$7,013,397

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

The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rates of 7.5% decreasing to 5.0% as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (6.5% decreasing to 4.0%) or 1% point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease <u>Varies</u>	Current Discount Rate Varies	1% Increase <u>Varies</u>
Employer's Net OPEB liability	\$6,898,301	\$7,592,575	\$8,406,290

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

For the year ended April 30, 2021, the City recognized OPEB expense of \$334,961. Deferred outflows and inflows of resources related to OPEB are from the following sources:

	Outflows	Inflows	Net Inflows
Assumption changes	\$1,192,052	\$(2,387,610)	\$(1,195,558)

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

For The Years Ending April 30	
2022	\$ (127,081)
2023	(127,081)
2024	(127,081)
2025	(127,081)
2026	(127,081)
Thereafter	(560,153)
Total	<u>\$(1,195,558)</u>

Related Party Investments

During the year ended April 30, 2021, none of the above mentioned pension funds held securities issued by the City or other related parties.

Note 7. COMMITMENTS

At April 30, 2021, 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	
Ken Halls - nine flood plain properties	\$5,000
Quality of Life Fund	
Chastain & Associates - engineering design of S 44 <sup>th</sup> Street to Forest Avenue to Veterans Memorial Drive	\$37,000
Downtown TIF	
Downtown TIF Projects	\$395,305
Home Rule Tax	
Heck's Excavating - Property Demolition \$88,900	\$3,000
Tyler Technology - content manager module	\$19,088
Samron Midwest Contracting - reconstruction of S 26 <sup>th</sup> Street from Forest to Veterans Memorial & park bridge replacement	\$655,118
Guinzev Construction - new connector road from Potomac Blvd to Davidson Avenue	\$379,431
Samron Midwest Contracting - 42 <sup>nd</sup> Street southbound right turn lane at IL State Rt 15	\$146,817
Sanitation	
CWI 5/1/21 - 4/30/22	\$1,184,627
Tourism	
Fireworks for July 4, 2021	\$20,000
Sewer	
EMC 5/1/21 - 4/30/23 facility payment	\$288,000
EMC 5/1/21 - 4/30/22 (assumed minimum increase of 1.5%)	\$2,168,782
EMC 5/1/22 - 4/30/23 (assumed minimum increase of 1.5%)	\$2,201,314
Haier Plumbing & Heating - Lift station #14 replacement	\$1,151,500
Haier Plumbing & Heating - Lift station #14 force main replacement	\$782,100
Sewer Equipment of America - hydraulic jet truck	\$443,501
Water	
Round Table Design Water Main Project \$295,000	\$61,250
J. K. Trotter & Sons - CDBG Water Main Project Phase 2	\$146,559
J. K. Trotter & Sons - installation of water meters	\$38,600
Haier Plumbing & Heating - IEAP water mains	\$1,651,284
All Funds	
Audit of Comprehensive Annual Report 2021 Through 2023	\$265,900

## Note 8. INDIVIDUAL FUND DISCLOSURES

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

Fund/Department	Object Classification	Original Budget	Budget Amendment	Amended Budget	Actual	Variance
General Corporate Fund						
City Manager	Covid-19 salaries & wages	\$ -0-	\$ 5,000	\$ 5,000	\$ 5,185	\$(185)
	I.M.R.F. benefits	28,353	-0-	28,353	28,429	(76)
	Public hearing notices	30	-0-	30	70	(40)
	Call One	631	1,000	1,631	1,633	(2)
	Insurance - general liability	2,205	-0-	2,205	2,305	(100)
	Notary expense	-0-	-0-	-0-	46	(46)
City Clerk	Regular salaries & wages	63,651	6,000	69,651	69,885	(234)
	Health insurance benefits	15,006	2,200	17,206	17,505	(299)
	I.M.R.F. benefits	4,034	500	4,534	4,967	(433)
	FICA benefits	3,946	-0-	3,946	4,266	(320)
	Medicare benefits	923	-0-	923	998	(75)
	Unemployment compensation	220	-0-	220	238	(18)
	New hire screening	-0-	-0-	-0-	128	(128)
	Call One	-0-	800	800	1,098	(298)
	Communications - postage	700	-0-	700	730	(30)
	Desktop computers	3,398	-0-	3,398	3,522	(124)
	Maintenance/repair - building structures	-0-	-0-	-0-	200	(200)
	Insurance - general liability	323	-0-	323	366	(43)
City Treasurer	Call One	-0-	-0-	-0-	157	(157)
Human Resources Division	I.M.R.F. benefits	13,366	-0-	13,366	13,376	(10)
	Car wash tokens	-0-	-0-	-0-	29	(29)
	Call One	424	-0-	424	717	(293)
	Communications - postage	160	-0-	160	169	(9)
	Office supplies	1,145	-0-	1,145	1,463	(318)
	Dues	209	-0-	209	219	(10)
	Computer contractor	120	-0-	120	209	(89)
Legal	Plan F medical insurance	7,363	900	8,263	8,344	(81)
	Legal (other)	137,000	(15,000)	122,000	122,059	(59)
Park	Workers compensation	6,112	14,000	20,112	20,584	(472)
	New hire screening	1,214	500	1,714	2,315	(601)
	Uniforms, mats, towels	3,650	-0-	3,650	3,812	(162)
	Job advertising	50	-0-	50	305	(255)
	Charter	2,178	500	2,678	2,706	(28)
Finance Administration	Workers compensation	1,612	-0-	1,612	1,772	(160)
	New hire screening	130	-0-	130	148	(18)
	Job advertising	100	-0-	100	131	(31)
	Call One	683	700	1,383	1,406	(23)
	Verizon	283	-0-	283	633	(350)
	Office supplies	4,130	-0-	4,130	4,308	(178)
	Desktop computers	5,100	-0-	5,100	5,131	(31)
	Membership	450	-0-	450	585	(135)
	Computer contractor	250	-0-	250	625	(375)
Engineering	Car wash tokens	-0-	-0-	-0-	20	(20)
	Demolition	-0-	-0-	-0-	42	(42)
	Call One	498	1,000	1,498	1,662	(164)
	Verizon aircard	1,392	-0-	1,392	1,423	(31)
Police	Premium Pay	37,483	-0-	37,483	37,682	(199)
	Call One	555	1,700	2,255	2,335	(80)
	Operating supplies	1,500	1,900	3,400	3,438	(38)
	Maintenance/repair - vehicle	28,000	4,600	32,600	32,837	(237)
	Insurance - general liability	141,421	5,900	147,321	147,416	(95)
Fire	Premium pay	65,795	500	66,295	66,437	(142)
	Health insurance benefits	421,429	700	422,129	422,185	(56)
	Medicare benefits	31,245	-0-	31,245	31,579	(334)
	Uniforms, mats, towels	1,200	100	1,300	1,700	(400)
	Call One	4,846	500	5,346	5,721	(375)
	Communications - postage	200	-0-	200	265	(65)
	Office supplies	4,175	100	4,275	4,450	(175)
	Maintenance/repair - vehicle	20,000	13,000	33,000	33,069	(69)
	Insurance general liability	42,210	2,500	44,710	45,118	(408)
	Illinois fire and police Commission	11,266	-0-	11,266	11,948	(682)
	Computer contractor	4,835	-0-	4,835	5,210	(375)
ESDA	Chemicals	2,000	-0-	2,000	2,118	(118)
Public Works	Part time wages	68,412	15,000	83,412	83,646	(234)
	Workers compensation	64,744	13,000	77,744	78,201	(457)
	New hire screening	2,643	2,500	5,143	6,101	(958)
	Uniforms, mats, towels	6,600	500	7,100	7,417	(317)
	Job advertising	200	-0-	200	259	(59)
	Communications - postage	-0-	-0-	-0-	35	(35)
	Chemicals	10,150	(6,850)	3,300	3,717	(417)
	Laptops	1,800	-0-	1,800	1,849	(49)
	Maintenance/repair	29,400	9,600	39,000	39,479	(479)
	Outdoor lighting on buildings	-0-	-0-	-0-	428	(428)

(Continued)

Fund/Department	Object Classification	Original Budget	Budget Amended	Amended Budget	Actual	Variance
Fleet Services	Regular salaries and wages	248,499	23,500	271,999	272,559	(560)
	Overtime	22,849	(10,000)	12,849	13,231	(382)
	Health insurance benefits	61,276	7,500	68,776	68,779	(3)
	I.M.R.F. benefits	36,841	1,500	38,341	38,529	(188)
	FICA benefits	17,570	500	18,070	18,265	(195)
	Medicare benefits	4,109	-0-	4,109	4,272	(163)
	Uniforms, mats, towels	4,565	500	5,065	5,186	(121)
	Maintenance/repair - vehicle	23,702	13,000	36,702	36,741	(39)
	Service/charges operating division	(267,678)	75,500	(192,178)	(191,979)	(199)
General Government	Plan F medical insurance	259,616	25,000	284,616	284,993	(377)
	Health insurance benefits	198,870	2,400	201,270	201,285	(15)
	Earned/unpaid - vacation	-0-	9,800	9,800	9,804	(4)
	City envelopes	(393)	-0-	(393)	-0-	(393)
	Repairs to City Hall	-0-	-0-	-0-	54	(54)
	Animal control officer gasoline	3,078	-0-	3,078	3,365	(287)
	Mail machines	675	-0-	675	749	(74)
	Miscellaneous expense	-0-	-0-	-0-	69	(69)
	Transfers to other funds	-0-	708,400	708,400	708,550	(150)
1201 Casey	Regular salaries and wages	72,006	-0-	72,006	72,659	(653)
	I.M.R.F. benefits	9,361	-0-	9,361	9,385	(24)
	Charter	1,386	-0-	1,386	1,413	(27)
	Towels, tissues, cleaning supplies	1,600	-0-	1,600	2,063	(463)
	Fire extinguishers	1,100	-0-	1,100	1,857	(757)
	Service/charges operating division	(159,406)	7,500	(151,906)	(151,439)	(467)
Aquatic Zoo	Workers compensation	4,108	8,900	13,008	13,028	(20)
	Maintenance/repair structure	1,500	4,500	6,000	6,200	(200)
	AZ additional sidewalks	-0-	77,500	77,500	77,761	(261)
Home Rule Tax	Annual audit costs	765	500	1,265	1,582	(317)
	Demolition	100,000	45,500	145,500	145,859	(359)
	State administration fee - home rule tax	-0-	59,100	59,100	59,521	(421)
	Bond issuance cost	-0-	79,000	79,000	79,229	(229)
	Transfer to Water Fund	1,822,200	235,000	2,057,200	2,057,666	(466)
Quality of Life	Insurance auto/general liability	69	8,431	8,500	8,891	(391)
	State administration fee - home rule tax	-0-	29,700	29,700	29,761	(61)
	Street small equipment	17,000	14,500	31,500	32,184	(684)
	GOB Principal 2012 Bonds	882,975	13,448,525	14,331,500	14,331,867	(367)
	Paying agent fee 2012 bonds	146	-0-	146	298	(152)
	Bond issuance cost	-0-	254,500	254,500	254,788	(288)
General Corporate Capital	Lease vehicles equipment	-0-	11,500	11,500	11,821	(321)
	State administration fee - TCom tax	-0-	-0-	-0-	254	(254)
	Land purchase - flood plain buyout	489,813	(336,313)	153,500	153,741	(241)
	K-9's	-0-	11,100	11,100	11,982	(882)
	New squad car(s)	600,000	(593,000)	7,000	7,219	(219)
	CDBG 12 <sup>th</sup> Street road	661,465	(627,565)	33,900	33,931	(31)
	GOB Principal 2010 Bonds cash	152,449	1,805,551	1,958,000	1,958,317	(317)
	GOB Principal 2012 Bonds cash	561,435	8,551,065	9,112,500	9,112,842	(342)
	GOB Interest 2012 Bonds cash	343,331	8,169	351,500	351,593	(93)
	Bond issuance cost	-0-	133,000	133,000	133,017	(17)
Pension Sales Tax	Annual audit costs	500	1,000	1,500	1,582	(82)
	State administration fee - pension sales tax	-0-	11,000	11,000	11,441	(441)
TIF - Downtown	Bond issuance cost	-0-	7,500	7,500	7,603	(103)
	Rehab, repair, replace buildings	273,678	18,822	292,500	292,565	(65)
	Construction of new buildings	599,350	17,650	617,000	617,167	(167)
TIF - Industrial Park	Property, demolition	137,915	92,585	230,500	230,811	(311)
	Reimburse private developer for interest	25,714	-0-	25,714	25,873	(159)
Tourism	Plan F medical insurance	13,516	1,500	15,016	15,378	(362)
	City envelopes	-0-	500	500	805	(305)
	VOIP lines	1,652	500	2,152	2,300	(148)
	Landscaping	-0-	-0-	-0-	69	(69)
	Merchandise/service resale	1,000	700	1,700	1,722	(22)
Special Service Area Number One	Health insurance benefits	15,006	-0-	15,006	15,227	(221)
	Unemployment compensation	220	-0-	220	379	(159)
	Workers compensation	3,804	-0-	3,804	4,289	(485)
	Annual audit costs	1,687	-0-	1,687	1,710	(23)
	Small outdoor equipment	1,700	1,500	3,200	3,278	(78)
	Insurance general liability	229	-0-	229	306	(77)

Receivables as of April 30, 2021, 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	\$ 46,334	\$ -0-	\$557,064	\$ -0-	\$69,656	\$435,471	\$551,079	\$395,168	\$ 1,600	\$ 82,364	\$2,138,736
Notes	40,478	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	40,478
Due from other governments and their agencies	1,989,988	310,995	117,857	50,327	-0-	-0-	415,000	248,394	-0-	184,575	3,317,136
Property and replacement taxes, gross	597,921	-0-	-0-	-0-	-0-	-0-	-0-	-0-	636,480	2,266,015	3,500,416
Interest	-0-	-0-	-0-	-0-	-0-	-0-	713	-0-	-0-	-0-	713
Gross receivables	<u>2,674,721</u>	<u>310,995</u>	<u>674,921</u>	<u>50,327</u>	<u>69,656</u>	<u>435,471</u>	<u>966,792</u>	<u>643,562</u>	<u>638,080</u>	<u>2,532,954</u>	<u>8,997,479</u>
Less: allowance for uncollectibles	4,540	-0-	-0-	-0-	1,000	-0-	63,000	45,000	-0-	-0-	113,540
Net receivables	<u>\$2,670,181</u>	<u>\$310,995</u>	<u>\$674,921</u>	<u>\$50,327</u>	<u>\$68,656</u>	<u>\$435,471</u>	<u>\$903,792</u>	<u>\$598,562</u>	<u>\$638,080</u>	<u>\$2,532,954</u>	<u>\$8,883,939</u>

Interfund receivables and payables for the year ended April 30, 2021, consist of the following:

Interfund receivables

Amount	Due From Other Funds	Due To Other Funds	Purpose
<u>\$250,000</u>	General Corporate	Downtown TIF	Community development cash flow loan
250,000	Total Governmental Funds		
<u>216</u>	Sanitation	Public Utilities	Sanitation's portion of customer billings
<u>216</u>	Total Enterprise Funds		
250,216	Totals		
839	Police Pension Fund (Fiduciary fund separately reported)	General Corporate	Payroll withholding clearing
<u>741</u>	Firefighters' Pension Fund (Fiduciary fund separately reported)	General Corporate	Payroll withholding clearing
<u>\$251,796</u>	Total reported on statement of net position due from other funds		

Interfund payables

<u>Amount</u>	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>	<u>Purpose</u>
\$250,000	Downtown TIF	General Corporate	Community development cash flow loan
7,481	Pension Sales Tax Fund	Police Pension Fund	Pension Fund's share of sales tax receivable
<u>7,947</u>	Pension Sales Tax Fund	Fire Pension Fund	Pension Fund's share of sales tax receivable
265,428	Total Governmental Funds		
216	Public Utilities	Sanitation	Payroll withholding clearing
<u>216</u>	Total Enterprise Funds		
<u>\$265,644</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, 2021, consist of the following amounts:

On government-wide and fund financial statements:

	<u>Transfers To</u>	<u>Transfers From</u>							<u>Nonmajor Governmental Funds</u>	<u>Business-Type Activities</u>
		<u>General Corporate Fund</u>	<u>Quality of Life</u>	<u>General Corporate Capital</u>	<u>Motor Fuel Tax</u>	<u>Sani-tation</u>	<u>Home Rule Tax</u>	<u>Downtown TIF</u>		
Governmental Activities:										
General Corporate Fund	\$ 649,709	\$ -0-	\$-0-	\$-0-	\$-0-	\$-0-	\$ -0-	\$-0-	\$ 649,709	\$-0-
Nonmajor Governmental Funds	42,854	42,854	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Governmental Activities	<u>692,563</u>	<u>42,854</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>649,709</u>	<u>-0-</u>
Business-Type Activities:										
Water Fund	1,048,175	-0-	-0-	-0-	-0-	-0-	1,048,175	-0-	-0-	-0-
Sewer Fund	1,009,491	-0-	-0-	-0-	-0-	-0-	1,009,491	-0-	-0-	-0-
Total Business-Type Activities	<u>2,057,666</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,057,666</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Government	<u>2,750,229</u>	<u>42,854</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,057,666</u>	<u>-0-</u>	<u>649,709</u>	<u>-0-</u>
Fiduciary Funds - separately reported:										
Fire Pension Fund	246,961	-0-	-0-	-0-	-0-	-0-	-0-	-0-	246,961	-0-
Police Pension Fund	183,077	-0-	-0-	-0-	-0-	-0-	-0-	-0-	183,077	-0-
Total Fiduciary Funds	<u>430,038</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>430,038</u>	<u>-0-</u>
Report Totals	<u>\$3,180,267</u>	<u>\$42,854</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$2,057,666</u>	<u>\$-0-</u>	<u>\$1,079,747</u>	<u>\$-0-</u>

(Continued)

(Continued)

Transfers-in		Transfers-out	
Governmental Activities	\$ 692,563	Governmental Activities	\$3,180,267
Business-Type Activities	2,057,666	Business-Type Activities	-0-
Total Governmental Activities	<u>\$2,750,229</u>	Total Governmental Activities	<u>\$3,180,267</u>
Fiduciary funds - separately reported	\$ 430,038		
Report Totals	<u>\$3,180,267</u>		

Eliminations

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

Purpose of Transfers

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

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

Segment information for the City's enterprise funds for the year ending April 30, 2021, is presented in the following table.

	Water Fund	Sewer Fund	Sanitation Fund
Condensed Statement of Net Position			
Assets:			
Current assets	\$ 1,676,194	\$ 3,860,369	\$ 202,073
Capital assets	16,155,449	12,507,353	40,000
Other noncurrent assets	548,473	66,440	-0-
Total assets	<u>18,380,116</u>	<u>16,434,162</u>	<u>242,073</u>
Liabilities:			
Current liabilities	668,567	429,823	95,161
Noncurrent liabilities	9,151,111	376,337	-0-
Total liabilities	<u>9,819,678</u>	<u>806,160</u>	<u>95,161</u>
Deferred inflows of resources			
Deferred Pension Credits	764,759	-0-	-0-
Deferred revenue	72,487	-0-	-0-
Total deferred inflows of resources	<u>837,246</u>	<u>-0-</u>	<u>-0-</u>
Net position:			
Net investment in capital assets	9,215,163	12,327,664	40,000
Committed for:			
Restricted revenue	(96,821)	3,261,925	-0-
Restricted for:			
Unrestricted	(1,395,150)	(154,187)	106,912
Total net position	<u>\$ 7,723,192</u>	<u>\$15,435,402</u>	<u>\$ 146,912</u>

(Continued)

	Water Fund	Sewer Fund	Sanitation Fund
Condensed Statements of Revenues, Expenses, and Changes in Net Position			
Operating revenues:			
User charges	\$ 4,782,566	\$ 3,245,562	\$1,155,249
Other operating revenue	31,908	27,417	-0-
Total operating revenues	<u>4,814,474</u>	<u>3,272,979</u>	<u>1,155,249</u>
Operating expenses:			
Depreciation expense:			
On property and equipment acquired with fund liabilities or retained earnings	416,827	357,309	-0-
On property and equipment acquired with contributed equity	118,627	283,703	-0-
Total depreciation expense	<u>535,454</u>	<u>641,012</u>	<u>-0-</u>
Administration	1,363,691	854,616	29,739
Cost of sales and services	2,027,238	2,279,655	1,157,783
Total operating expenses	<u>3,926,383</u>	<u>3,775,283</u>	<u>1,187,522</u>
Operating income (loss)	<u>888,091</u>	<u>(502,304)</u>	<u>(32,273)</u>
Non-operating revenues (expenses):			
Non-operating revenues	112,024	64,275	185
Property tax revenue	38,200	-0-	-0-
Interest and fiscal charges - bonds	(315,711)	(4,804)	-0-
Gain on withdrawal of assets from service	26,150	30	-0-
Total non-operating revenues (expenses)	<u>(139,337)</u>	<u>59,501</u>	<u>185</u>
Net income (loss)	748,754	(442,803)	(32,088)
Capital contributions from developers	763,290	248,394	-0-
Transfers from other funds	<u>1,037,095</u>	<u>1,020,571</u>	<u>-0-</u>
Change in net position	2,549,139	826,162	(32,088)
Total net position - beginning, as previously reported	5,174,053	14,609,240	179,000
Net position - beginning, restated	<u>5,174,053</u>	<u>14,609,240</u>	<u>179,000</u>
Total net position, ending	<u>\$ 7,723,192</u>	<u>\$15,435,402</u>	<u>\$ 146,912</u>
Capital Assets Additions and Deletions			
Property and equipment:			
Additions	<u>\$ 1,946,530</u>	<u>\$ 764,873</u>	<u>\$ -0-</u>
Dispositions			
Historical costs	\$ -0-	\$ 589	\$ -0-
Accumulated depreciation	-0-	(589)	-0-
Net book value	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Condensed Statement of Cash Flows			
Net cash provided by (used for) operating activities	\$ 1,144,073	\$ 145,075	\$ (22,285)
Net cash provided by noncapital financing activities	1,077,670	1,020,571	-0-
Net cash (used for) capital and related financing activities	(1,693,456)	(807,312)	-0-
Net cash provided by investing activities	70,428	64,276	185
Net cash provided by nonexchange activities	<u>38,200</u>	<u>-0-</u>	<u>-0-</u>
Net increase (decrease) in cash and cash equivalents	636,915	422,610	(22,100)
Cash and cash equivalents at May 1, 2020	<u>281,762</u>	<u>2,799,841</u>	<u>155,301</u>
Cash and cash equivalents at April 30, 2021	<u>\$ 918,677</u>	<u>\$ 3,222,451</u>	<u>\$ 133,201</u>
Reported as:			
Current assets	\$ 625,243	\$ 3,222,451	\$ 133,201
Restricted assets	293,434	-0-	-0-
	<u>\$ 918,677</u>	<u>\$ 3,222,451</u>	<u>\$ 133,201</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, 2021, 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, 2021, 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, 2021, 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 2021 are:

	2021	2020	2019
Claims liability at beginning of year	\$ 124,120	\$ 121,151	\$ 142,191
Current year claims and estimate changes	1,290,283	1,759,155	1,966,165
Claims payments	<u>(1,176,598)</u>	<u>(1,756,186)</u>	<u>(1,987,205)</u>
Claims liability at end of year	<u>\$ 237,805</u>	<u>\$ 124,120</u>	<u>\$ 121,151</u>

	2018	2017	2016	2015	2014
Claims liability at beginning of year	\$ 285,728	\$ 385,996	\$ 545,074	\$ 311,493	\$ 373,037
Current year claims and estimate changes	1,875,057	2,566,016	2,959,204	1,946,061	1,687,621
Claims payments	<u>(2,018,594)</u>	<u>(2,666,284)</u>	<u>(3,118,282)</u>	<u>(1,712,480)</u>	<u>(1,749,165)</u>
Claims liability at end of year	<u>\$ 142,191</u>	<u>\$ 285,728</u>	<u>\$ 385,996</u>	<u>\$ 545,074</u>	<u>\$ 311,493</u>

	2013	2012	2011	2010	2009
Claims liability at beginning of year	\$ 118,704	\$ 225,894	\$ 139,586	\$ 257,409	\$ 218,860
Current year claims and estimate changes	2,076,680	1,704,422	1,666,328	1,505,842	1,707,979
Claims payments	<u>(1,822,347)</u>	<u>(1,811,612)</u>	<u>(1,580,020)</u>	<u>(1,623,665)</u>	<u>(1,669,430)</u>
Claims liability at end of year	<u>\$ 373,037</u>	<u>\$ 118,704</u>	<u>\$ 225,894</u>	<u>\$ 139,586</u>	<u>\$ 257,409</u>

#### 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, 2021.

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

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

When a TIF redevelopment project area (often called a TIF district) is created, the value of the property in the area is established as the "base" amount. The property taxes paid on this base amount continue to go to the various taxing bodies as they always had, with the amount of this revenue declining only if the base declines (something that the TIF is expected to keep from happening) or the tax rate goes down. It is the growth of

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

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

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

Note 11. ACCRETION OF BOND PREMIUM

Accretion of Series 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 \$-0- leaving a balance of \$76,472,676 distributed in the following funds: General Corporate Capital \$1,603,341, Quality of Life \$3,000,459, Downtown TIF \$87,112, Home Rule Tax \$887,206, Public Utilities \$894,558. Related accretion revenue for the years ended April 30, 2022 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
2021	\$ -0-	\$1,603,341	\$ -0-	\$3,000,459	\$ -0-	\$87,112	\$ -0-	\$887,206
2022	93,425	1,509,916	142,030	2,858,429	6,637	80,475	20,229	866,977
2023	111,926	1,397,990	175,447	2,682,982	7,467	73,008	29,312	837,665
2024	116,551	1,281,439	182,725	2,500,257	7,467	65,541	30,551	807,114
2025	121,176	1,160,263	190,005	2,310,252	8,296	57,245	31,789	775,325
2026	125,801	1,034,462	197,283	2,112,969	8,296	48,949	33,028	742,297
2027	131,042	903,420	205,359	1,907,610	9,126	39,823	34,266	708,031
2028	136,284	767,136	213,436	1,694,174	9,126	30,697	35,505	672,526
2029	141,526	625,610	221,512	1,472,662	9,956	20,741	36,743	635,783
2030	147,384	478,226	230,818	1,241,844	9,956	10,785	38,395	597,388
2031	153,242	324,984	239,693	1,002,151	10,785	-0-	39,633	557,755
2032	159,410	165,574	255,423	746,728	-0-	-0-	47,064	510,691
2033	165,574	-0-	265,127	481,601	-0-	-0-	48,716	461,975
2034	-0-	-0-	52,937	428,664	-0-	-0-	50,780	411,195
2035	-0-	-0-	55,089	373,575	-0-	-0-	52,844	358,351
2036	-0-	-0-	56,811	316,764	-0-	-0-	54,496	303,855
2037	-0-	-0-	58,532	258,232	-0-	-0-	56,147	247,708
2038	-0-	-0-	60,684	197,548	-0-	-0-	58,211	189,497
2039	-0-	-0-	63,267	134,281	-0-	-0-	60,688	128,809
2040	-0-	-0-	65,849	68,432	-0-	-0-	63,165	65,644
2041	-0-	-0-	68,432	-0-	-0-	-0-	65,644	-0-
	<u>\$1,603,341</u>	<u>\$ -0-</u>	<u>\$3,000,459</u>	<u>\$ -0-</u>	<u>\$87,112</u>	<u>\$ -0-</u>	<u>\$887,206</u>	<u>\$ -0-</u>

Year Ending April 30,	Public Utilities		Total	
	Accretion Revenue	Unaccreted Premium	Accretion Revenue	Unaccreted Premium
2021	\$ -0-	\$894,558	\$ -0-	\$6,472,676
2022	52,125	842,433	314,446	6,158,230
2023	62,447	779,986	386,599	5,771,631
2024	65,027	714,959	402,321	5,369,310
2025	67,608	647,351	418,874	4,950,436
2026	70,188	577,163	434,596	4,515,840
2027	73,113	504,050	452,906	4,062,934
2028	76,037	428,013	470,388	3,592,546
2029	78,962	349,051	488,699	3,103,847
2030	82,231	266,820	508,784	2,595,063
2031	85,499	181,321	528,852	2,066,211
2032	88,940	92,381	550,837	1,515,374
2033	92,381	-0-	571,798	943,576
2034	-0-	-0-	103,717	839,859
2035	-0-	-0-	107,933	731,926
2036	-0-	-0-	111,307	620,619
2037	-0-	-0-	114,679	505,940
2038	-0-	-0-	118,895	387,045
2039	-0-	-0-	123,955	263,090
2040	-0-	-0-	129,014	134,076
2041	-0-	-0-	134,076	-0-
	<u>\$894,558</u>	<u>\$ -0-</u>	<u>\$6,472,676</u>	<u>\$ -0-</u>

Accretion of Series 2012 Bond Premium

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

These bonds refunded with the Series 2020 Bonds. The remaining Bond Premium was written off during the current year. The amount written off was \$731,897 distributed in the following funds: General Corporate Capital \$256,921, Quality of Life \$404,062, Public Utilities \$70,914.

## 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. 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, 2021, the developer has spent and had the promissory note reduced by \$486,301, leaving the promissory note balance of \$163,699 at April 30, 2021. It is fully expected that the developer will spend the remaining \$163,699 during the City's next fiscal year. Since the City does not expect to collect on this promissory note, the promissory note receivable is recorded in the amount of \$163,699 with an allowance for non-collectible of \$163,699, resulting in a \$-0- balance on the financial statements for this transaction.

Note 14. 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 15. 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 2021.

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)

	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total pension liability						
Service cost	\$ 394,797	\$ 397,118	\$ 365,511	\$ 393,336	\$ 420,770	\$ 447,233
Interest	2,388,828	2,369,756	2,338,519	2,393,667	2,302,457	2,120,906
Differences between expected and actual experience	57,582	(98,825)	357,873	(55,798)	910,686	2,129,371
Changes in assumptions	(150,346)	-0-	831,946	(992,225)	(70,880)	25,468
Benefit payments, including refunds of member contributions	(2,422,745)	(2,384,918)	(2,422,305)	(2,498,453)	(2,332,072)	(2,157,372)
Net change in total pension liability	268,116	283,131	1,471,544	(759,473)	1,230,961	2,565,606
Total pension liability - beginning	<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>	<u>29,171,557</u>
Total pension liability - ending	<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	\$ 522,212	\$ 389,637	\$ 518,376	\$ 442,180	\$ 1,620,935	\$ 587,963
Contributions - employee	173,685	169,244	166,264	167,076	223,818	302,026
Net investment income	4,868,272	5,765,928	(2,156,284)	5,459,348	1,852,814	133,639
Benefit payments, including refunds of member contributions	(2,422,745)	(2,384,918)	(2,422,305)	(2,498,453)	(2,332,072)	(2,157,372)
Other (net transfer)	(118,699)	(3,763)	764,011	(492,882)	244,633	807,399
Net change in plan fiduciary net position	3,022,725	3,936,128	(3,129,938)	3,077,269	1,610,128	(326,345)
Plan fiduciary net position - beginning	<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>	<u>27,361,489</u>
Plan fiduciary net position - ending	<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>\$ (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	103.86%	95.78%	84.89%	98.49%	86.89%	85.18%
Covered-employee payroll	\$ 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	(34.20)%	38.14%	137.70%	13.63%	109.63%	112.79%

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

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
12/31/2020	\$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
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 2020 Contribution Rate

Valuation Date:	December 31, 2020
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 2020 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): 23-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)

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, 2018 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	2.25%
Salary Increases	2.85% to 13.75%
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 2020 valuation pursuant to an experience study of the period 2017-2019.
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.
Other Information:	
Notes	There were no benefit changes during the year.
A detailed description of the actuarial assumptions and methods can be found in the December 31, 2020 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>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	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, 2021</u>	Reporting Fiscal Year (Measurement Date) <u>April 30, 2020</u>
Total pension liability		
Service cost	\$ 585,683	\$ 654,838
Interest	2,231,420	2,089,074
Changes of benefit terms	-0-	139,622
Differences between expected and actual experience	(109,516)	(71,130)
Change in assumptions	-0-	(2,885,672)
Benefit payments, including refunds of member contributions	<u>(1,750,070)</u>	<u>(1,682,491)</u>
Net change in total pension liability	957,517	(1,755,759)
Total pension liability - beginning	<u>34,078,359</u>	<u>35,834,118</u>
Total pension liability - ending	35,035,876	34,078,359
Plan fiduciary net position		
Contributions - employer	1,070,796	967,543
Contributions - employee	232,192	240,866
Contributions - other	46,232	-0-
Net investment income	5,954,928	(653,067)
Benefit payments, including refunds of member contributions	(1,750,070)	(1,682,491)
Administrative expense	<u>(13,945)</u>	<u>(14,173)</u>
Net change in plan fiduciary net position	5,540,133	(1,141,322)
Plan fiduciary net position - beginning	<u>19,206,510</u>	<u>20,347,832</u>
Plan fiduciary net position - ending	<u>24,746,643</u>	<u>19,206,510</u>
City's net pension liability - ending	<u>\$10,289,233</u>	<u>\$14,871,849</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70.63%</u>	<u>56.36%</u>
Covered-employee payroll	<u>\$ 2,343,009</u>	<u>\$ 2,415,504</u>
City's net pension liability as a percentage of covered employee payroll	<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) <u>April 30, 2021</u>	Reporting Fiscal Year (Measurement Date) <u>April 30, 2020</u>
Total pension liability		
Service cost	\$ 505,285	\$ 604,160
Interest	2,009,957	1,863,556
Changes of benefit terms	-0-	32,820
Differences between expected and actual experience	(178,393)	406,349
Change in assumptions	-0-	(1,861,933)
Benefit payments, including refunds of member contributions	<u>(1,408,524)</u>	<u>(1,387,513)</u>
Net change in total pension liability	928,307	(342,561)
Total pension liability - beginning	<u>30,652,911</u>	<u>30,995,472</u>
Total pension liability - ending	31,581,218	30,652,911
Plan fiduciary net position		
Contributions - employer	1,185,567	1,102,789
Contributions - employee	185,827	181,340
Contributions - other	-0-	-0-
Net investment income	5,603,680	(1,729,019)
Benefit payments, including refunds of member contributions	(1,408,542)	(1,387,513)
Administrative expense	(18,063)	(16,230)
Net change in plan fiduciary net position	<u>5,548,469</u>	<u>(1,848,633)</u>
Plan fiduciary net position - beginning	<u>14,277,391</u>	<u>16,126,024</u>
Plan fiduciary net position - ending	<u>19,825,860</u>	<u>14,277,391</u>
City's net pension liability - ending	<u>\$11,755,358</u>	<u>\$16,375,520</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>62.78%</u>	<u>46.58%</u>
Covered-employee payroll	<u>\$ 1,945,384</u>	<u>\$ 1,894,708</u>
City's net pension liability as a percentage of covered employee payroll	<u>604.27%</u>	<u>864.28%</u>

(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) <u>April 30, 2019</u>	Reporting Fiscal Year (Measurement Date) <u>April 30, 2018</u>	Reporting Fiscal Year (Measurement Date) <u>April 30, 2017</u>	Reporting Fiscal Year (Measurement Date) <u>April 30, 2016</u>
Total pension liability				
Service cost	\$ 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
Contributions - other	-0-	-0-	-0-	-0-
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	Contribution			
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	Contribution			
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%	

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**Actuarial Assumptions (Economic)**

Discount rate used for the total pension liability	6.75%
Long-term expected rate of return on plan assets	6.75%
High quality 20 year tax exempt G.O. bond rate	2.27%
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 2.56% to 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 67 and Statement 68.

The discount rate used in the determination of the Total Pension Liability remained constant at 6.75%. The discount rate is impacted by a couple of metrics. Any change in the underlying High-Quality 20 Year Tax Exempt G.O. Bond Rate will impact the blended discount rate.

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  
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**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.

CITY OF MT. VERNON, ILLINOIS  
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The CPI-U for September 1990 was 132.7. The CPI-U for September 2020 was 260.28. The average increase in the CPI-U for September 1990 through September 2020 was 2.28% (on a compounded basis).

**EXPECTED RETURN ON PENSION PLAN INVESTMENTS**

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

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

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

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

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

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

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

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**MUNICIPAL BOND RATE**

The municipal bond rate assumption is based on The Bond Buyer 20-Bond G.O. Index. The rate shown earlier in this section of the report is the April 29, 2021 rate. The 20-Bond G.O. Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

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

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

**DISCOUNT RATE**

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

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

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

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**Actuarial Assumptions (Economic)**

Discount rate used for the total pension liability	6.75%
Long-term expected rate of return on plan assets	6.75%
High quality 20 year tax exempt G.O. bond rate	2.27%
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 2.56% to 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 67 and Statement 68.

The Discount Rate used in the determination of the Total Pension Liability remained constant at 6.75%. The Discount Rate is impacted by a couple of metrics. Any change in the underlying High-Quality 20 Year Tax Exempt G.O. Bond Rate will impact the blended Discount Rate.

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

**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.

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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 1990 was 132.7. The CPI-U for September 2020 was 260.28. The average increase in the CPI-U for September 1990 through September 2020 was 2.28% (on a compounded basis).

**EXPECTED RETURN ON PENSION PLAN INVESTMENTS**

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

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

(Continued)

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 29, 2021 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>
4/30/21	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>4/30/21</u>
Total OPEB liability	
Service cost	\$ 199,887
Interest	262,155
Changes of benefit terms	-0-
Differences between expected and actual experience	(2,652,753)
Changes in assumptions	(46,150)
Benefit payments	<u>(822,014)</u>
Net change in total OPEB liability	<u>(3,058,875)</u>
Total OPEB liability - beginning	10,651,450
Total OPEB liability - ending (a)	<u>\$ 7,592,575</u>
OPEB plan net position	
Contributions - employer	\$ 822,014
Contributions - employee	-0-
Contributions - other	-0-
Net investment income	-0-
Benefit payments	(822,014)
Administrative expense	<u>-0-</u>
Net change in OPEB plan net position	<u>-0-</u>
Total OPEB plan net position - beginning	-0-
Total OPEB plan net position - ending (b)	<u>\$ -0-</u>
Employer's total OPEB liability/(asset) - ending (a) - (b)	<u>\$ 7,592,575</u>
Covered-employee payroll	\$ 8,744,673
Employer's total OPEB liability as a percentage of covered-employee payroll	86.83%
Contribution from other City resources (actuarially determined contribution)	\$ 822,014

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 \$822,014.

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	2.56%
End of year	2.27%
Long-term expected rate of return on plan assets	N/A
High quality 20 year tax-exempt G.O. bond rate	
Beginning of year	2.56%
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, 2021
Measurement date	April 30, 2021
Actuarial valuation date	May 1, 2020
Data date	April 30, 2021
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	8.67 years
Changes in assumptions	8.67 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)

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, 2020 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 changed from 2.56% to 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 2.56% to 2.27%. 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, 2021 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, 2021

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Sales taxes	\$ 9,136,700	\$ 212,528	\$ 9,349,228	\$ 9,910,986	\$ 561,758
Use taxes	542,300	-0-	542,300	687,268	144,968
Hotel/motel taxes	751,600	-0-	751,600	711,307	(40,293)
Property taxes levied for general purposes	287,407	-0-	287,407	287,007	(400)
Property taxes levied for employee benefits	-0-	-0-	-0-	665,695	665,695
Franchise taxes	143,000	-0-	143,000	137,982	(5,018)
Public service taxes	2,377,700	-0-	2,377,700	2,668,785	291,085
Unrestricted investment income	86,815	-0-	86,815	34,948	(51,867)
Miscellaneous	13,430	-0-	13,430	48,559	35,129
Operating grants and contributions	20,500	-0-	20,500	757,152	736,652
Charges for services	1,057,950	-0-	1,057,950	695,426	(362,524)
Total revenues	<u>14,417,402</u>	<u>212,528</u>	<u>14,629,930</u>	<u>16,605,115</u>	<u>1,975,185</u>

(Continued)

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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, 2021

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Expenditures:</u>					
Current					
General government	3,368,195	12,428	3,380,623	3,230,868	149,755
Public safety					
Police	5,525,274	(456,300)	5,068,974	4,963,891	105,083
Fire	3,147,465	20,750	3,168,215	3,108,730	59,485
Public works	1,678,305	(1,150)	1,677,155	1,590,239	86,916
Engineering services	425,298	(9,300)	415,998	390,067	25,931
Culture and recreation	1,068,917	(62,300)	1,006,617	845,944	160,673
Debt service					
Principle retirement	120,323	-0-	120,323	120,323	-0-
Interest and fiscal charges	19,429	-0-	19,429	19,429	-0-
Total expenditures	<u>15,353,206</u>	<u>(495,872)</u>	<u>14,857,334</u>	<u>14,269,491</u>	<u>587,843</u>
Excess (deficiency) of revenues over (under) expenditures	(935,804)	708,400	(227,404)	2,335,624	2,563,028
<u>Other financing sources (uses)</u>					
Transfers from other funds	1,011,455	-0-	1,011,455	674,709	(336,746)
Transfers to other funds	-0-	(708,400)	(708,400)	(708,550)	(150)
Sale of assets	3,500	-0-	3,500	238,257	234,757
Net other financing sources (uses)	<u>1,014,955</u>	<u>(708,400)</u>	<u>306,555</u>	<u>204,416</u>	<u>(102,139)</u>
Net change in fund balance	<u>79,151</u>	<u>\$ -0-</u>	<u>79,151</u>	<u>2,540,040</u>	<u>\$2,460,889</u>
Fund balance - beginning	<u>5,831,446</u>		<u>5,831,446</u>	<u>5,831,446</u>	
Fund balance - ending	<u>\$ 5,910,597</u>		<u>\$ 5,910,597</u>	<u>\$ 8,371,486</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, 2021

	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	\$ 1,984,050	\$ 163,750
Unrestricted investment income	2,690	-0-	2,690	11,268	8,578
Total revenues	<u>1,822,990</u>	<u>-0-</u>	<u>1,822,990</u>	<u>1,995,318</u>	<u>172,328</u>
<u>Expenditures:</u>					
Current					
General government	954,530	506,031	1,460,561	1,270,941	189,620
Debt service					
Principal retirement	882,975	13,448,525	14,331,500	14,331,867	(367)
Interest and fiscal charges	539,959	13,000	552,959	552,956	3
Total expenditures	<u>2,377,464</u>	<u>13,967,556</u>	<u>16,345,020</u>	<u>16,155,764</u>	<u>189,256</u>
Excess (deficiency) of revenues over (under) expenditures	(554,474)	(13,967,556)	(14,522,030)	(14,160,446)	361,584
<u>Other financing sources (uses)</u>					
Long-term debt issued	-0-	13,967,556	13,967,556	20,284,218	6,316,662
Net other financing sources (uses)	<u>-0-</u>	<u>13,967,556</u>	<u>13,967,556</u>	<u>20,284,218</u>	<u>6,316,662</u>
Net change in fund balance	(554,474)	<u>\$ -0-</u>	(554,474)	6,123,772	<u>\$6,678,246</u>
Fund balance - beginning	<u>1,497,838</u>		<u>1,497,838</u>	<u>1,497,838</u>	
Fund balance - ending	<u>\$ 943,364</u>		<u>\$ 943,364</u>	<u>\$ 7,621,610</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, 2021

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Sales taxes	\$1,331,100	\$ -0-	\$ 1,331,100	\$ 1,352,916	\$ 21,816
Gain on sale of fixed assets	40,000	-0-	40,000	-0-	(40,000)
Unrestricted investment income	816	-0-	816	6,092	5,276
Miscellaneous	41,870	-0-	41,870	21,700	(20,170)
Capital grants and contributions	<u>1,311,701</u>	<u>-0-</u>	<u>1,311,701</u>	<u>160,153</u>	<u>(1,151,548)</u>
Total revenues	<u>2,725,487</u>	<u>-0-</u>	<u>2,725,487</u>	<u>1,540,861</u>	<u>(1,184,626)</u>
<u>Expenditures:</u>					
Current					
General government	1,785,704	(1,416,278)	369,426	370,442	(1,016)
Debt service					
Interest and fiscal charges	<u>452,523</u>	<u>(42,831)</u>	<u>409,692</u>	<u>409,006</u>	<u>686</u>
Total expenditures	<u>2,238,227</u>	<u>(1,459,109)</u>	<u>779,118</u>	<u>779,448</u>	<u>(330)</u>
Excess (deficiency) of revenues over (under) expenditures	487,260	1,459,109	1,946,369	761,413	(1,184,956)
<u>Other financing sources (uses)</u>					
Principal paid on long-term debt	(839,783)	(10,356,616)	(11,196,399)	(11,197,058)	(659)
Long-term debt issued	<u>600,000</u>	<u>8,897,507</u>	<u>9,497,507</u>	<u>10,718,292</u>	<u>1,220,785</u>
Net other financing sources (uses)	<u>(239,783)</u>	<u>(1,459,109)</u>	<u>(1,698,892)</u>	<u>(478,766)</u>	<u>1,220,126</u>
Net change in fund balance	247,477	<u>\$ -0-</u>	247,477	282,647	<u>\$ 35,170</u>
Fund balance - beginning	<u>474,089</u>		<u>474,089</u>	<u>474,089</u>	
Fund balance - ending	<u>\$ 721,566</u>		<u>\$ 721,566</u>	<u>\$ 756,736</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, 2021

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Unrestricted investment income	\$ 650	\$-0-	\$ 650	\$ 1,013	\$ 363
Capital grants and contributions	517,700	-0-	517,700	1,050,386	532,686
Total revenues	<u>518,350</u>	<u>-0-</u>	<u>518,350</u>	<u>1,051,399</u>	<u>533,049</u>
<u>Expenditures:</u>					
Current					
Public works	372,620	-0-	372,620	309,535	63,085
Total expenditures	<u>372,620</u>	<u>-0-</u>	<u>372,620</u>	<u>309,535</u>	<u>63,085</u>
Net change in fund balance	145,730	<u>\$-0-</u>	145,730	741,864	<u>\$596,134</u>
Fund balance - beginning	<u>787,784</u>		<u>787,784</u>	<u>787,784</u>	
Fund balance - ending	<u>\$933,514</u>		<u>\$933,514</u>	<u>\$1,529,648</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, 2021

	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	\$ 3,968,099	\$ 327,399
Unrestricted investment income	3,550	-0-	3,550	32,259	28,709
Total revenues	<u>3,644,250</u>	<u>-0-</u>	<u>3,644,250</u>	<u>4,000,358</u>	<u>356,108</u>
<u>Expenditures:</u>					
Current					
General government	8,908,250	(235,000)	8,673,250	2,049,812	6,623,438
Total expenditures	<u>8,908,250</u>	<u>(235,000)</u>	<u>8,673,250</u>	<u>2,049,812</u>	<u>6,623,438</u>
Excess (deficiency) of revenues over (under) expenditures	(5,264,000)	235,000	(5,029,000)	1,950,546	6,979,546
<u>Other financing sources (uses):</u>					
Transfers to other funds	(1,822,200)	(235,000)	(2,057,200)	(2,057,666)	(466)
Long-term debt issued	6,700,000	-0-	6,700,000	6,147,958	(552,042)
Total other financing sources (uses)	<u>4,877,800</u>	<u>(235,000)</u>	<u>4,642,800</u>	<u>4,090,292</u>	<u>(552,508)</u>
Net change in fund balance	(386,200)	<u>\$ -0-</u>	(386,200)	6,040,838	<u>\$6,427,038</u>
Fund balance - beginning	<u>2,838,237</u>		<u>2,838,237</u>	<u>2,838,237</u>	
Fund balance - ending	<u>\$ 2,452,037</u>		<u>\$ 2,452,037</u>	<u>\$ 8,879,075</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, 2021

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$ 431,000	\$ -0-	\$ 431,000	\$ 428,946	\$ (2,054)
Unrestricted investment income	590	-0-	590	89	(501)
Charges for services	29,375	-0-	29,375	33,536	4,161
Total revenues	<u>460,965</u>	<u>-0-</u>	<u>460,965</u>	<u>462,571</u>	<u>1,606</u>
<u>Expenditures:</u>					
Current					
Community development	1,295,118	(50,000)	1,245,118	1,043,256	201,862
Total expenditures	<u>1,295,118</u>	<u>(50,000)</u>	<u>1,245,118</u>	<u>1,043,256</u>	<u>201,862</u>
Excess (deficiency) of revenues over (under) expenditures	(834,153)	50,000	(784,153)	(580,685)	203,468
<u>Other financing sources (uses):</u>					
Transfers to other funds	(16,000)	-0-	(16,000)	(16,000)	-0-
Principal paid on long-term debt	-0-	(50,000)	(50,000)	(50,000)	-0-
Long-term debt issued	554,084	-0-	554,084	612,112	58,028
Total other financing sources (uses)	<u>538,084</u>	<u>(50,000)</u>	<u>488,084</u>	<u>546,112</u>	<u>58,028</u>
Net change in fund balance	(296,069)	<u>\$ -0-</u>	(296,069)	(34,573)	<u>\$261,496</u>
Fund balance - beginning	<u>32,480</u>		<u>32,480</u>	<u>32,480</u>	
Fund balance - ending	<u>\$ (263,589)</u>		<u>\$ (263,589)</u>	<u>\$ (2,093)</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**

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Caryle, Illinois 62231  
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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, IL

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, 2021, and the related notes to the financial statements, which collectively comprise the City of Mt. Vernon, Illinois' basic financial statements, and have issued our report thereon dated October 18, 2021.

**Internal Control Over Financial Reporting**

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

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

a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

### **Purpose of This Report**

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



Mt. Vernon, IL  
October 18, 2021

EXPENDITURES OF FEDERAL AWARDS

Wm. Brent Palmer, C.P.A.  
James G. Leuty, C.P.A.  
Gary S. Malawy, C.P.A.  
Richelle J. Heggemeier, C.P.A.  
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INDEPENDENT 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, IL

**Report on Compliance for Each Major Federal Program**

We have audited the City of Mt. Vernon, Illinois' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Mt. Vernon, Illinois' major federal programs for the year ended April 30, 2021. 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.

**Management's Responsibility**

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

**Auditor's Responsibility**

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



CITY OF MT. VERNON, ILLINOIS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended April 30, 2021

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
<b><u>U.S. Department of Justice</u></b>						
Bulletproof Vest Partnership Program	16.607	None	N/A	\$ 4,058	\$ -0-	\$-0-
Bulletproof Vest Partnership Program	16.607	None	N/A	\$ 3,158	-0-	-0-
Coronavirus Emergency Supplement Funding	16.034	2020-VD-BX-1852	N/A	\$ 46,425	46,425	-0-
Total U.S. Department of Justice					<u>46,425</u>	<u>-0-</u>
<b><u>U.S. Department of Homeland Security</u></b>						
<i>Passed-through Illinois Emergency Management Agency</i>						
Emergency Management Performance Grants - Year 2019	97.042	19EMAMTVER	N/A	\$ 22,163	7,571	-0-
Emergency Management Performance Grants - Year 2020	97.042	20EMAMTVER	N/A	\$ 67,101	43,982	-0-
Emergency Management Performance Grants - Year 2021	97.042	21EMAMTVER	N/A	\$ 67,101	13,630	-0-
Total U.S. Department of Homeland Security					<u>65,183</u>	<u>-0-</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>						
<i>Passed-through Illinois Department of Commerce and Economic Opportunity</i>						
<i>Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii</i>						
CDAP Housing Rehab Grant - Year 2019	14.228	18-243005	N/A	\$ 450,000	-0-	-0-
CDBG Water Line Project	14.228	18-248421	N/A	\$1,603,812	463,790	-0-
CDBG 12 <sup>th</sup> Street Resurfacing Road Project	14.228	18-248422	N/A	\$ 499,021	5,000	-0-
Total U.S. Department of Housing and Urban Development					<u>468,790</u>	<u>-0-</u>
<b><u>U.S. Department of Treasury</u></b>						
<i>Passed-through Illinois Department of Commerce and Economic Opportunity</i>						
Coronavirus Relief Fund	21.019	None	N/A	\$ 630,222	630,222	-0-
Total U.S. Department of Treasury					<u>630,222</u>	<u>-0-</u>
Total Federal Financial Assistance					<u>\$1,210,620</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, 2021

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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

Basis of Accounting

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

Relationship to General Purpose Financial Statements

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

Relationship to Program Financial Reports

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

Note 2. FEDERAL LOANS

The City had no outstanding loan balances or loan guarantees at April 30, 2021.

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, 2021.

CITY OF MT. VERNON, ILLINOIS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 April 30, 2021

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>
21.019	Coronavirus Relief Fund

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, 2021

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, 2021, 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, 2021, 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, 2021

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, 2021

	Convention and Visitors' Bureau	Special Service Area Number One	TIF Rt 15 and I-57	TIF Industrial Park	Pension Sales Tax	Community Development Assistance Program	Total Nonmajor Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$109,319	\$15,516	\$147,544	\$345,583	\$ -0-	\$-0-	\$ 617,962
Receivables:							
Accounts, net	42,597	-0-	-0-	549,897	-0-	-0-	592,494
Due from other governments and their agencies	-0-	-0-	-0-	-0-	184,575	-0-	184,575
Property and replacement taxes, net	-0-	74,189	329,915	-0-	735,691	-0-	1,139,795
Inventories	<u>1,564</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,564</u>
Total Assets	<u>\$153,480</u>	<u>\$89,705</u>	<u>\$477,459</u>	<u>\$895,480</u>	<u>\$920,266</u>	<u>\$-0-</u>	<u>\$2,536,390</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
Liabilities							
Payables							
Accounts	\$ 11,752	\$ 1,513	\$ -0-	\$ -0-	\$ 3,227	\$-0-	\$ 16,492
Payroll and related liabilities	11,401	3,240	-0-	-0-	-0-	-0-	14,641
Due to other funds	-0-	-0-	-0-	-0-	15,428	-0-	15,428
Total liabilities	<u>23,153</u>	<u>4,753</u>	<u>-0-</u>	<u>-0-</u>	<u>18,655</u>	<u>-0-</u>	<u>46,561</u>
Deferred inflows of resources							
Deferred revenue	<u>-0-</u>	<u>74,189</u>	<u>329,915</u>	<u>549,897</u>	<u>735,690</u>	<u>-0-</u>	<u>1,689,691</u>
Fund balances							
Nonspendable							
Inventories	1,564	-0-	-0-	-0-	-0-	-0-	1,564
Committed:							
Community development	-0-	10,763	147,544	345,583	-0-	-0-	503,890
Convention and Visitors Bureau Fund	128,763	-0-	-0-	-0-	-0-	-0-	128,763
Telecomm Tax	-0-	-0-	-0-	-0-	165,921	-0-	165,921
Total fund balances	<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>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$153,480</u>	<u>\$89,705</u>	<u>\$477,459</u>	<u>\$895,480</u>	<u>\$920,266</u>	<u>\$-0-</u>	<u>\$2,536,390</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, 2021

	Convention and Visitors' Bureau	Special Service Area Number One	TIF RT 15 and I-57	TIF Industrial Park	Pension Sales Tax	Community Development Assistance Program	Total Nonmajor Governmental Funds
<b>Revenues:</b>							
Sales taxes	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 762,744	\$-0-	\$ 762,744
Hotel/motel taxes	257,734	-0-	-0-	-0-	-0-	-0-	257,734
Property taxes levied for general purposes	-0-	76,044	326,105	533,294	-0-	-0-	935,443
Property taxes levied for employee benefits	30,961	-0-	-0-	-0-	-0-	-0-	30,961
Unrestricted investment income	143	22	169	121	361	-0-	816
Miscellaneous	1,530	-0-	-0-	-0-	-0-	-0-	1,530
Operating grants and contributions	55,945	-0-	-0-	-0-	-0-	-0-	55,945
<b>Total revenues</b>	<u>346,313</u>	<u>76,066</u>	<u>326,274</u>	<u>533,415</u>	<u>763,105</u>	<u>-0-</u>	<u>2,045,173</u>
<b>Expenditures:</b>							
Current							
General government	-0-	-0-	-0-	-0-	13,025	-0-	13,025
Culture and recreation	365,870	-0-	-0-	-0-	-0-	-0-	365,870
Community development	-0-	69,663	264,940	258,267	-0-	-0-	592,870
Debt service							
Interest and fiscal charges	-0-	-0-	-0-	10,960	-0-	-0-	10,960
<b>Total expenditures</b>	<u>365,870</u>	<u>69,663</u>	<u>264,940</u>	<u>269,227</u>	<u>13,025</u>	<u>-0-</u>	<u>982,725</u>
Excess (deficiency) of revenues over (under) expenditures	(19,557)	6,403	61,334	264,188	750,080	-0-	1,062,448
<b>Other financing sources (uses):</b>							
Transfers from other funds	-0-	-0-	-0-	-0-	708,550	-0-	708,550
Transfers to other funds	(4,665)	-0-	(4,000)	(5,000)	(1,075,082)	-0-	(1,088,747)
Principle paid on long-term debt	-0-	-0-	-0-	(23,431)	-0-	-0-	(23,431)
<b>Net other financing sources (uses)</b>	<u>(4,665)</u>	<u>-0-</u>	<u>(4,000)</u>	<u>(28,431)</u>	<u>(366,532)</u>	<u>-0-</u>	<u>(403,628)</u>
Net change in fund balances	(24,222)	6,403	57,334	235,757	383,548	-0-	658,820
Fund balances - beginning	154,549	4,360	90,210	109,826	(217,627)	-0-	141,318
<b>Fund balances - ending</b>	<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>

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, 2021

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Hotel/motel taxes	\$ 509,500	\$-0-	\$ 509,500	\$257,734	\$ (251,766)
Property taxes levied for employee benefits	34,405	-0-	34,405	30,961	(3,444)
Unrestricted investment income	210	-0-	210	143	(67)
Miscellaneous	900	-0-	900	1,530	630
Operating grants and contributions	136,624	-0-	136,624	55,945	(80,679)
Charges for services	1,800	-0-	1,800	-0-	(1,800)
Total revenues	<u>683,439</u>	<u>-0-</u>	<u>683,439</u>	<u>346,313</u>	<u>(337,126)</u>
<u>Expenditures:</u>					
Current					
Culture and recreation	563,333	-0-	563,333	365,870	197,463
Total expenditures	<u>563,333</u>	<u>-0-</u>	<u>563,333</u>	<u>365,870</u>	<u>197,463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>120,106</u>	<u>-0-</u>	<u>120,106</u>	<u>(19,557)</u>	<u>(139,663)</u>
<u>Other financing sources (uses):</u>					
Transfers to other funds	(169,830)	-0-	(169,830)	(4,665)	165,165
Net other financing sources (uses)	<u>(169,830)</u>	<u>-0-</u>	<u>(169,830)</u>	<u>(4,665)</u>	<u>165,165</u>
Net change in fund balance	(49,724)	<u>\$-0-</u>	(49,724)	(24,222)	<u>\$ 25,502</u>
Fund balance - beginning	<u>154,549</u>		<u>154,549</u>	<u>154,549</u>	
Fund balance - ending	<u>\$ 104,825</u>		<u>\$ 104,825</u>	<u>\$130,327</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, 2021

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$83,342	\$-0-	\$83,342	\$76,044	\$(7,298)
Unrestricted investment income	70	-0-	70	22	(48)
Total revenues	<u>83,412</u>	<u>-0-</u>	<u>83,412</u>	<u>76,066</u>	<u>(7,346)</u>
<u>Expenditures:</u>					
Current					
Community development	81,755	-0-	81,755	69,663	12,092
Total expenditures	<u>81,755</u>	<u>-0-</u>	<u>81,755</u>	<u>69,663</u>	<u>12,092</u>
Net change in fund balance	1,657	<u>\$-0-</u>	1,657	6,403	<u>\$ 4,746</u>
Fund balance - beginning	<u>4,360</u>		<u>4,360</u>	<u>4,360</u>	
Fund balance - ending	<u>\$ 6,017</u>		<u>\$ 6,017</u>	<u>\$10,763</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, 2021

	<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	\$296,000	\$-0-	\$296,000	\$326,105	\$30,105
Unrestricted investment income	190	-0-	190	169	(21)
Total revenues	<u>296,190</u>	<u>-0-</u>	<u>296,190</u>	<u>326,274</u>	<u>30,084</u>
<u>Expenditures:</u>					
Current					
Community development	268,990	-0-	268,990	264,940	4,050
Total expenditures	<u>268,990</u>	<u>-0-</u>	<u>268,990</u>	<u>264,940</u>	<u>4,050</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,200</u>	<u>-0-</u>	<u>27,200</u>	<u>61,334</u>	<u>34,134</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	23,200	<u>\$-0-</u>	23,200	57,334	<u>\$34,134</u>
Fund balance - beginning	<u>90,210</u>		<u>90,210</u>	<u>90,210</u>	
Fund balance - ending	<u>\$113,410</u>		<u>\$113,410</u>	<u>\$147,544</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, 2021

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$322,000	\$-0-	\$322,000	\$533,294	\$211,294
Unrestricted investment income	320	-0-	320	121	(199)
Total revenues	<u>322,320</u>	<u>-0-</u>	<u>322,320</u>	<u>533,415</u>	<u>211,095</u>
<u>Expenditures:</u>					
Current					
Community development	271,719	-0-	271,719	258,267	13,452
Debt service					
Interest and fiscal charges	10,965	-0-	10,965	10,960	5
Total expenditures	<u>282,684</u>	<u>-0-</u>	<u>282,684</u>	<u>269,227</u>	<u>13,457</u>
Excess (deficiency) of revenues over (under) expenditures	<u>39,636</u>	<u>-0-</u>	<u>39,636</u>	<u>264,188</u>	<u>224,552</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	(23,431)	-0-	(23,431)	(23,431)	-0-
Net other financing sources (uses)	<u>(28,431)</u>	<u>-0-</u>	<u>(28,431)</u>	<u>(28,431)</u>	<u>-0-</u>
Net change in fund balance	11,205	<u>\$-0-</u>	11,205	235,757	<u>\$224,552</u>
Fund balance - beginning	<u>109,826</u>		<u>109,826</u>	<u>109,826</u>	
Fund balance - ending	<u>\$121,031</u>		<u>\$121,031</u>	<u>\$345,583</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, 2021

	<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	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Expenditures:</u>					
Current					
Community development	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</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, 2021

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/ (Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Sales taxes	\$ 680,673	\$ -0-	\$ 680,673	\$ 762,744	\$ 82,071
Unrestricted investment income	350	-0-	350	361	11
Total revenues	<u>681,023</u>	<u>-0-</u>	<u>681,023</u>	<u>763,105</u>	<u>82,082</u>
<u>Expenditures:</u>					
Current					
General government	500	12,000	12,500	13,025	(525)
Total expenditures	<u>500</u>	<u>12,000</u>	<u>12,500</u>	<u>13,025</u>	<u>(525)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>680,523</u>	<u>(12,000)</u>	<u>668,523</u>	<u>750,080</u>	<u>81,557</u>
<u>Other financing sources (uses):</u>					
Transfers from other funds	735,894	-0-	735,894	708,550	(27,344)
Transfers to other funds	(1,125,384)	12,000	(1,113,384)	(1,075,082)	38,302
Net other financing sources (uses)	<u>(389,490)</u>	<u>12,000</u>	<u>(377,490)</u>	<u>(366,532)</u>	<u>10,958</u>
Net change in fund balance	291,033	<u>\$ -0-</u>	291,033	383,548	<u>\$ 92,515</u>
Fund balance - beginning	<u>(217,627)</u>		<u>(217,627)</u>	<u>(217,627)</u>	
Fund balance - ending	<u>\$ 73,406</u>		<u>\$ 73,406</u>	<u>\$ 165,921</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, 2021 and 2020

	2021	2020
<u>ASSETS</u>		
Cash and cash equivalents	\$ 7,237,554	\$5,189,021
Investments	355	229
Receivables:		
Accounts, net	46,334	48,739
Notes	40,478	43,882
Due from other funds	251,580	251,092
Due from other governments and their agencies	2,024,526	1,337,345
Property and replacement taxes, net	441,331	1,170,234
Prepaid expenses	4,451	1,465
Restricted assets	320,107	332,621
Total Assets	\$10,366,716	\$8,374,628
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
<u>Liabilities</u>		
Payables:		
Accounts	\$ 410,279	\$ 270,949
Payroll and related liabilities	833,056	831,779
Liabilities payable from restricted assets	101,301	89,758
Total liabilities	1,344,636	1,192,486
Deferred inflows of resources		
Deferred revenue	650,594	1,350,696
Fund balances		
Nonspendable:		
Prepaid expenses	3,523	1,138
Restricted:		
Employee benefits	-0-	42,854
Dare donations - Police (General Corporate)	447	2,011
DUI (General Corporate)	100,247	88,389
Federal Drug Force (General Corporate)	29,351	34,136
State/Local drug (General Corporate)	36,411	25,249
Anti-crime FNS	49,054	46,928
Park donations	3,187	3,296
Liquor ordinance fines	109	-0-
Unassigned, reported in:		
General Corporate	8,149,157	5,587,445
Total fund balances	8,371,486	5,831,446
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$10,366,716	\$8,374,628

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

CITY OF MT. VERNON, ILLINOIS  
 GENERAL CORPORATE FUND  
 COMPARATIVE INCOME STATEMENTS  
 April 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Revenues:</u>		
Sales taxes	\$ 9,910,986	\$ 9,421,403
Use taxes	687,268	534,587
Hotel/motel taxes	711,307	746,264
Property taxes levied for general purposes	287,007	287,373
Property taxes levied for employee benefits	665,695	666,107
Franchise taxes	137,982	143,167
Public service taxes	2,668,785	2,355,783
Gain on sale of fixed assets	-0-	4,080
Grants and contributions not restricted to specific programs	-0-	72
Unrestricted investment income	34,948	117,039
Miscellaneous	48,559	31,015
Operating grants and contributions	757,152	35,390
Charges for services	695,426	1,116,178
Total revenues	<u>16,605,115</u>	<u>15,458,458</u>
<u>Expenditures:</u>		
Current		
General government	3,230,868	3,328,965
Public safety		
Police	4,963,891	4,988,531
Fire	3,108,730	3,000,102
Public works	1,590,239	1,442,620
Engineering services	390,067	391,071
Culture and recreation	845,944	983,311
Debt service		
Principal retirement	120,323	115,967
Interest and fiscal charges	19,429	23,785
Total expenditures	<u>14,269,491</u>	<u>14,274,352</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,335,624</u>	<u>1,184,106</u>
<u>Other financing sources (uses):</u>		
Transfers from other funds	674,709	191,505
Transfers to other funds	(708,550)	(10,900)
Sale of assets	238,257	-0-
Net other financing sources (uses)	<u>204,416</u>	<u>180,605</u>
Net change in fund balances	2,540,040	1,364,711
Fund balances - beginning	<u>5,831,446</u>	<u>4,466,735</u>
Fund balances - ending	<u>\$ 8,371,486</u>	<u>\$ 5,831,446</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, 2021 and 2020

	2021	2020
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 625,243	\$ -0-
Investments	2,882	1,862
Receivables:		
Accounts, net	488,079	552,467
Interest	713	713
Due from other governments and their agencies	415,000	786,709
Inventories	100,279	122,448
Prepaid expenses	43,998	42,424
Total current assets	<u>1,676,194</u>	<u>1,506,623</u>
Restricted assets:		
Cash and cash equivalents	293,434	281,762
Total restricted assets	<u>293,434</u>	<u>281,762</u>
Noncurrent assets:		
Property and equipment	16,126,097	14,714,235
Other capital assets	29,352	30,138
Net pension obligation (asset)	255,039	-0-
Total noncurrent assets	<u>16,410,488</u>	<u>14,744,373</u>
Total Assets	<u>\$18,380,116</u>	<u>\$16,532,758</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,</u>		
<u>AND FUND BALANCES</u>		
Liabilities		
Current liabilities:		
Payables:		
Accounts	\$ 388,606	\$ 495,235
Payroll and related liabilities	153,383	159,202
Accrued interest payable	126,362	83,131
Due to other funds	216	216
Total current liabilities	<u>668,567</u>	<u>737,784</u>
Liabilities payable from restricted assets:		
Accounts payable and accrued liabilities	293,434	281,762
Total liabilities payable from restricted assets	<u>293,434</u>	<u>281,762</u>
Noncurrent liabilities:		
General obligation bonds, net, and general long-term debt	7,941,253	8,576,849
Net pension obligation	-0-	298,226
Net other post employment benefits obligation	916,424	1,285,630
Total noncurrent liabilities	<u>8,857,677</u>	<u>10,160,705</u>
Total liabilities	<u>9,819,678</u>	<u>11,180,251</u>
Deferred inflows of resources		
Deferred pension credits	764,759	121,032
Deferred revenue	72,487	57,422
Total deferred inflows of resources	<u>837,246</u>	<u>178,454</u>
Net position		
Net investment in capital assets	9,215,163	6,346,037
Committed for:		
Restricted revenue	(96,821)	(163,741)
Unrestricted	(1,395,150)	(1,008,243)
Total net position	<u>7,723,192</u>	<u>5,174,053</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$18,380,116</u>	<u>\$16,532,758</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues		
User charges	\$4,782,566	\$4,719,651
Other operating revenues	31,908	34,300
Total operating revenues	<u>4,814,474</u>	<u>4,753,951</u>
Operating expenses		
Administration	1,363,691	1,718,817
Cost of sales and services	2,027,238	2,074,627
Depreciation	535,454	504,759
Total operating expenses	<u>3,926,383</u>	<u>4,298,203</u>
Operating income	<u>888,091</u>	<u>455,748</u>
Non-operating revenues (expenses)		
Non-operating revenues	112,024	138,490
Property tax revenue	38,200	37,806
Interest and fiscal charges - bonds	(315,711)	(382,555)
Gain on withdrawal of assets from service	26,150	-0-
Total non-operating revenues (expenses)	<u>(139,337)</u>	<u>(206,259)</u>
Income before contributions and transfers	748,754	249,489
Capital contributions	763,290	1,835,270
Transfers from other funds	<u>1,037,095</u>	<u>903,061</u>
Change in net position	2,549,139	2,987,820
Net position - beginning	<u>5,174,053</u>	<u>2,186,233</u>
Total net position - ending	<u>\$7,723,192</u>	<u>\$5,174,053</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Cash received from customers	\$ 4,873,696	\$ 4,717,333
Cash payments to suppliers for goods and services	(2,529,322)	(2,482,926)
Cash payments to employees and professional contractors for services	(1,232,209)	(1,323,668)
Other operating revenues	31,908	34,300
Net cash provided by operating activities	<u>1,144,073</u>	<u>945,039</u>
Cash flows from noncapital financing activities		
Transfers from other funds	1,037,095	903,061
Other non-operating revenues	40,575	82,465
Net cash provided by noncapital financing activities	<u>1,077,670</u>	<u>985,526</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(1,946,530)	(2,336,785)
Proceeds from sale of assets	26,150	-0-
Interest and fiscal charges paid	(343,394)	(399,040)
Proceeds from issuance of long-term debt	6,170,487	-0-
Principal paid on revenue bonds	(6,735,168)	(962,473)
Capital contributions	1,134,999	1,048,561
Net cash (used for) capital and related financing activities	<u>(1,693,456)</u>	<u>(2,649,737)</u>
Cash flows from investing activities		
Interest and customer penalty income received	70,428	56,025
Proceeds from sale of investments	-0-	31,328
Net cash provided by investing activities	<u>70,428</u>	<u>87,353</u>
Cash flows from nonexchange activities		
Property tax revenue	38,200	37,806
Net cash provided by nonexchange activities	<u>38,200</u>	<u>37,806</u>
Net increase (decrease) in cash and cash equivalents	636,915	(594,013)
Cash and cash equivalents at May 1, 2020 and May 1, 2019	<u>281,762</u>	<u>875,775</u>
Cash and cash equivalents at April 30, 2021 and April 30, 2020	<u>\$ 918,677</u>	<u>\$ 281,762</u>
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	\$ 625,243	\$ -0-
Restricted assets - cash and cash equivalents	293,434	281,762
Total cash and cash equivalents	<u>\$ 918,677</u>	<u>\$ 281,762</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS  
 PROPRIETARY FUNDS  
 WATER FUND  
 COMPARATIVE STATEMENTS OF CASH FLOWS  
 Years Ended April 30, 2021 and 2020

	2021	2020
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income	\$ 888,091	\$ 455,748
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	535,454	504,759
Changes in assets and liabilities		
Decrease in accounts receivable	64,388	4,193
Decrease in inventories	22,169	10,976
(Increase) decrease in prepaid expenses	(1,574)	1,808
Decrease in deferred pension charges	643,727	706,717
(Decrease) in accounts payable	(106,629)	(93,512)
(Decrease) increase in payroll and related liabilities payable	(5,819)	18,111
Increase (decrease) in deferred revenue	15,065	(8,672)
(Decrease) in net pension obligation	(553,265)	(793,917)
(Decrease) increase in net other post employment benefits	(369,206)	136,667
Increase in customer deposits payable	11,672	2,161
Total adjustments	255,982	489,291
Net cash provided by operating activities	\$1,144,073	\$ 945,039
Noncash investing, capital, and financing activities		
Capital assets contributed	\$ 763,290	\$1,835,270
Total noncash investing, capital, and financing activities	\$ 763,290	\$1,835,270

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 3,222,451	\$ 2,799,841
Receivables:		
Accounts, net	350,168	406,425
Interest	248,394	-0-
Prepaid expenses	39,356	27,744
Total current assets	<u>3,860,369</u>	<u>3,234,010</u>
Noncurrent assets:		
Property and equipment	12,507,353	12,383,492
Net pension obligation (asset)	66,440	-0-
Total noncurrent assets	<u>12,573,793</u>	<u>12,383,492</u>
Total Assets	<u>\$16,434,162</u>	<u>\$15,617,502</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
Liabilities		
Current liabilities:		
Payables:		
Accounts	\$ 407,673	\$ 368,432
Payroll and related liabilities	20,276	25,570
Accrued interest payable	1,874	2,263
Total current liabilities	<u>429,823</u>	<u>396,265</u>
Noncurrent liabilities:		
General obligation bonds, net, and general long-term debt	179,689	216,964
Net pension obligation	-0-	78,868
Net other post employment benefits obligation	196,648	275,873
Total noncurrent liabilities	<u>376,337</u>	<u>571,705</u>
Total liabilities	<u>806,160</u>	<u>967,970</u>
Deferred inflows of resources		
Deferred pension credits	192,600	40,292
Total deferred inflows of resources	<u>192,600</u>	<u>40,292</u>
Net position		
Net invested in capital assets	12,327,664	12,166,528
Committed for:		
Restricted revenue	3,261,925	2,167,877
Unrestricted	(154,187)	274,835
Total net position	<u>15,435,402</u>	<u>14,609,240</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$16,434,162</u>	<u>\$15,617,502</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues		
User charges	\$ 3,245,562	\$ 3,320,497
Other operating revenue	<u>27,417</u>	<u>26,598</u>
Total operating revenues	<u>3,272,979</u>	<u>3,347,095</u>
Operating expenses		
Administration	854,616	974,539
Cost of sales and services	2,279,655	2,280,731
Depreciation	<u>641,012</u>	<u>633,119</u>
Total operating expenses	<u>3,775,283</u>	<u>3,888,389</u>
Operating (loss)	(502,304)	(541,294)
Non-operating revenue (expenses)		
Non-operating revenues	64,275	76,161
Interest and fiscal charges - bonds	(4,804)	(5,728)
Gain on withdrawal of assets from service	<u>30</u>	<u>-0-</u>
Total non-operating revenue (expenses)	<u>59,501</u>	<u>70,433</u>
(Loss) before contributions and transfers	(442,803)	(470,861)
Capital contributions	248,394	-0-
Transfers from other funds	<u>1,020,571</u>	<u>1,097,090</u>
Change in net position	826,162	626,229
Net position - beginning	<u>14,609,240</u>	<u>13,983,011</u>
Total net position, ending	<u>\$15,435,402</u>	<u>\$14,609,240</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Cash received from customers	\$ 3,300,619	\$ 3,323,193
Cash payments to suppliers for goods and services	(2,880,920)	(2,703,704)
Cash payments to employees and professional contractors for services	(303,241)	(345,481)
Other operating revenues	28,617	27,723
Net cash provided by operating activities	<u>145,075</u>	<u>301,731</u>
Cash flows from noncapital financing activities		
Transfers from other funds	<u>1,020,571</u>	<u>1,097,090</u>
Net cash provided by noncapital financing activities	<u>1,020,571</u>	<u>1,097,090</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(764,873)	(579,684)
Proceeds from other governments and their agencies	30	-0-
Interest and fiscal charges paid	(5,194)	(6,107)
Principal paid on revenue bonds	(37,275)	(36,361)
Net cash (used for) capital and related financing activities	<u>(807,312)</u>	<u>(622,152)</u>
Cash flows from investing activities		
Interest and customer penalty income received	<u>64,276</u>	<u>76,161</u>
Net cash provided by investing activities	<u>64,276</u>	<u>76,161</u>
Net increase in cash and cash equivalents	422,610	852,830
Cash and cash equivalents at May 1, 2020 and May 1, 2019	<u>2,799,841</u>	<u>1,947,011</u>
Cash and cash equivalents at April 30, 2021 and 2020	3,222,451	2,799,841
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	<u>3,222,451</u>	<u>2,799,841</u>
Total cash and cash equivalents	<u>3,222,451</u>	<u>2,799,841</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating (loss)	(502,304)	(541,294)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	641,012	633,119
Changes in assets and liabilities		
Decrease in accounts receivable	56,257	2,989
(Increase) in prepaid expenses	(11,612)	(712)
Decrease in deferred pension changes	152,308	200,180
Increase in accounts payable	39,241	215,534
(Decrease) in payroll and related liabilities payable	(5,294)	(16,656)
(Decrease) in net pension obligation	(145,308)	(220,756)
Increase in net other post employment benefits	(79,225)	29,327
Total adjustments	<u>647,379</u>	<u>843,025</u>
Net cash provided by operating activities	<u>\$ 145,075</u>	<u>\$ 301,731</u>
Non-cash investing, capital, and financing activities		
Capital assets contributed	<u>\$ 763,290</u>	<u>\$ 1,835,270</u>
Total non-cash investing, capital, and financing activities	<u>\$ 763,290</u>	<u>\$ 1,835,270</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$133,201	\$155,301
Receivables:		
Accounts, net	68,656	77,352
Due from other funds	216	216
Total current assets	<u>202,073</u>	<u>232,869</u>
Noncurrent assets:		
Property and equipment	40,000	40,000
Total noncurrent assets	<u>40,000</u>	<u>40,000</u>
 Total Assets	 <u>\$242,073</u>	 <u>\$272,869</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities		
Current liabilities:		
Payable		
Accounts	\$ 95,161	\$ 93,869
Total current liabilities	<u>95,161</u>	<u>93,869</u>
Total liabilities	<u>95,161</u>	<u>93,869</u>
 Net position		
Invested in capital assets, net of related debt	40,000	40,000
Unrestricted	106,912	139,000
Total net position	<u>146,912</u>	<u>179,000</u>
 Total Liabilities and Fund Balances	 <u>\$242,073</u>	 <u>\$272,869</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues		
User charges	\$1,155,249	\$1,149,468
Total operating revenues	<u>1,155,249</u>	<u>1,149,468</u>
Operating expenses		
Administration	29,739	41,211
Cost of sales and services	1,157,783	1,127,185
Total operating expenses	<u>1,187,522</u>	<u>1,168,396</u>
Operating (loss)	(32,273)	(18,928)
Non-operating revenues		
Non-operating revenues	185	2,963
Total non-operating revenues	<u>185</u>	<u>2,963</u>
Change in net position	(32,088)	(15,965)
Total net position - beginning	<u>179,000</u>	<u>194,965</u>
Total net position - ending	<u>\$ 146,912</u>	<u>\$ 179,000</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Cash received from customers	\$ 1,163,946	\$ 1,146,558
Cash payments to suppliers for goods and services	(1,183,769)	(1,165,841)
Cash payments to employees and professional contractors for services	(2,462)	2,636
Net cash (used for) operating activities	<u>(22,285)</u>	<u>(16,647)</u>
Cash flows from investing activities		
Interest and customer penalty income received	185	2,963
Net cash provided by investing activities	<u>185</u>	<u>2,963</u>
Net (decrease) in cash and cash equivalents	(22,100)	(13,684)
Cash and cash equivalents at May 1, 2020 and May 1, 2019	<u>155,301</u>	<u>168,985</u>
Cash and cash equivalents at April 30, 2021 and April 30, 2020	<u>\$ 133,201</u>	<u>\$ 155,301</u>
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	\$ 133,201	\$ 155,301
Total cash and cash equivalents	<u>\$ 133,201</u>	<u>\$ 155,301</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating (loss)	\$ (32,273)	\$ (18,928)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	8,697	(2,911)
Increase in accounts payable	1,291	5,192
Total adjustments	<u>9,988</u>	<u>2,281</u>
Net cash (used for) operating activities	<u>\$ (22,285)</u>	<u>\$ (16,647)</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Governmental funds capital assets		
Land	\$ 6,050,257	\$ 5,904,958
Buildings	6,544,086	6,544,086
Office furniture and equipment	1,290,794	1,248,247
Machinery and equipment	4,638,496	4,430,629
Licensed vehicles	6,938,040	6,936,908
Infrastructure	<u>62,123,250</u>	<u>60,486,643</u>
Total governmental funds capital assets	<u>\$87,584,923</u>	<u>\$85,551,471</u>
Investments in governmental funds capital assets by source		
General corporate fund	\$24,285,582	\$24,799,749
Special revenue funds	62,372,062	59,824,443
Donations	<u>927,279</u>	<u>927,279</u>
Total governmental funds capital assets	<u>\$87,584,923</u>	<u>\$85,551,471</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, 2021

Function and Activity	Governmental Funds Capital Assets 4/30/20	Additions	Deductions	Transfers Between Governmental Activities	Governmental Funds Capital Assets 4/30/21
General government	\$27,592,559	\$ 217,322	\$(103,158)	\$-0-	\$27,706,723
Public safety and protection	8,403,274	428,053	(153,046)	-0-	8,678,281
Streets	30,470,156	1,731,510	(375,374)	-0-	31,826,292
Culture and recreation	15,428,374	94,994	(102,721)	-0-	15,420,647
Community and economic development	<u>3,657,108</u>	<u>295,872</u>	<u>-0-</u>	<u>-0-</u>	<u>3,952,980</u>
Total Governmental Funds Capital Assets	<u>\$85,551,471</u>	<u>\$2,767,751</u>	<u>\$(734,299)</u>	<u>\$-0-</u>	<u>\$87,584,923</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, 2021

<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	\$2,001,186	\$2,151,692	\$ 977,172	\$ 234,189	\$ 120,309	\$22,222,175	\$27,706,723
Public safety and protection	-0-	924,077	292,564	2,303,420	5,124,435	33,785	8,678,281
Streets	-0-	109,546	-0-	1,420,701	1,645,983	28,650,062	31,826,292
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>\$6,050,257</u>	<u>\$6,544,086</u>	<u>\$1,290,794</u>	<u>\$4,638,496</u>	<u>\$6,938,040</u>	<u>\$62,123,250</u>	<u>\$87,584,923</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
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
2012	3,545,014	4,639,019	3,161,600	2,691,326	394,625	681,442	1,337,808	526,866	-0-	136,447	7,792,369	24,906,516

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
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
2012	8,371,224	197,348	1,619,536	15,083,511	85,441	46,718	73,972	100,265	-0-	25,578,015

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>
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
2012	9,313,414	1,086,594	4,678,397	486,752	1,836,416	54,757	253,444	17,709,774

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>
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
2012	6,015,912	7,652,223	2,755,960	1,260,401	525,222	140,798	18,350,516

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>
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
2012	9,313,414	222,969	1,214,062	483,188	596,229	135,283	3,118,366	15,083,511

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General merchandise	\$ 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	\$ 61,013,295
Food	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	52,050,019
Drinking and eating places	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	52,972,305
Apparel	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	16,119,752
Furniture and H.H. and Radio	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	14,146,514
Lumber, building, and hardware	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	37,665,771
Automotive and filling stations	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	99,875,333
Drugs and miscellaneous retail	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	43,499,371
Agriculture and all others	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	42,933,238
Manufacturers	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	3,410,324
Total	<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>	<u>\$423,685,922</u>
Related City sales tax receipts	<u>\$ 15,350,924</u>	<u>\$ 15,287,798</u>	<u>\$ 15,021,806</u>	<u>\$ 10,450,762</u>	<u>\$ 10,564,791</u>	<u>\$ 10,925,554</u>	<u>\$ 10,994,258</u>	<u>\$ 10,573,936</u>	<u>\$ 9,956,851</u>	<u>\$ 9,115,233</u>

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>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>	<u>2012</u>
City	2.75%	2.75%	2.50%	2.50%	1.50%	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%	0.25%	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>9.25%</u>	<u>9.25%</u>	<u>8.25%</u>	<u>8.25%</u>	<u>8.25%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>8.00%</u>

CITY OF MT. VERNON, ILLINOIS  
 RATIO FOR OUTSTANDING DEBT BY TYPE  
 Last Ten Fiscal Years

Fiscal Year	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Total Primary Government	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Notes Payable</u>	<u>General Obligation Bonds</u>	<u>Notes Payable</u>		
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
2012	2,268,500	643,563	6,456,500	1,264,963	10,633,526	654

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Investment in capital assets, net of related debt	\$ 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	\$17,568,454
Restricted	1,531,212	830,592	835,197	715,220	535,423	280,821	309,864	172,154	159,519	419,439
Unrestricted	<u>(10,440,420)</u>	<u>(23,103,920)</u>	<u>(22,205,995)</u>	<u>(26,906,774)</u>	<u>(14,531,333)</u>	<u>(16,298,143)</u>	<u>(12,556,599)</u>	<u>7,485,272</u>	<u>5,678,580</u>	<u>12,106,062</u>
Total governmental activities net position	<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>	<u>30,093,955</u>
Business-type activities										
Investment in capital assets, net of related debt	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	11,125,148
Restricted	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,041,617
Unrestricted	<u>1,722,679</u>	<u>1,378,029</u>	<u>556,209</u>	<u>(682,786)</u>	<u>782,523</u>	<u>1,401,937</u>	<u>2,804,602</u>	<u>3,670,560</u>	<u>4,156,207</u>	<u>-0-</u>
Total business-type activities net position	<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>	<u>14,166,765</u>
Primary government										
Investment in capital assets net of related debt	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	28,693,602
Restricted	1,531,212	830,592	835,197	715,220	535,423	280,821	309,864	172,154	159,519	3,461,056
Unrestricted	<u>(8,717,741)</u>	<u>(21,725,891)</u>	<u>(21,649,786)</u>	<u>(27,589,560)</u>	<u>(13,748,810)</u>	<u>(14,896,206)</u>	<u>(9,751,997)</u>	<u>11,155,832</u>	<u>9,834,787</u>	<u>12,106,062</u>
Total primary government net position	<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>	<u>\$44,260,720</u>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses</b>										
Government activities:										
General government	\$ 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	\$ 3,545,014
Public safety										
Police	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	4,639,019
Fire	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	3,161,600
Public works	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	2,691,326
Engineering services	343,731	418,292	396,170	465,543	474,860	596,213	620,769	639,032	598,129	394,625
Culture and recreation	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	1,337,808
Community development	1,621,145	1,560,610	1,192,181	2,785,122	1,057,118	933,660	569,574	304,882	721,634	526,866
Interest on long-term debt	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	136,447
Total governmental activities expenses	<u>19,735,748</u>	<u>23,851,254</u>	<u>22,067,960</u>	<u>23,333,527</u>	<u>19,527,737</u>	<u>22,223,663</u>	<u>19,185,388</u>	<u>18,592,811</u>	<u>18,639,965</u>	<u>16,432,705</u>
Business-type activities:										
Water and sewer funds	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	7,792,369
Sanitation	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	681,442
Total business-type activities expenses	<u>9,209,707</u>	<u>9,743,267</u>	<u>9,036,922</u>	<u>10,088,095</u>	<u>9,524,924</u>	<u>9,667,930</u>	<u>9,248,131</u>	<u>9,143,906</u>	<u>8,895,127</u>	<u>8,473,811</u>
<b>Total primary government expenses</b>	<u>\$ 28,945,455</u>	<u>\$ 33,594,521</u>	<u>\$ 31,104,882</u>	<u>\$ 33,421,622</u>	<u>\$ 29,052,661</u>	<u>\$ 31,891,593</u>	<u>\$ 28,433,519</u>	<u>\$ 27,736,717</u>	<u>\$ 27,535,092</u>	<u>\$ 24,906,516</u>
<b>Program revenues</b>										
Government activities:										
Charges for services										
General government	\$ 1,142,864	\$ 589,028	\$ 738,941	\$ 873,518	\$ 397,706	\$ 136,201	\$ 127,338	\$ 224,158	\$ 144,663	\$ 123,057
Public safety										
Police	237,596	373,294	293,455	228,379	240,097	271,177	358,370	319,877	256,935	243,299
Fire	800	300	-0-	-0-	100	5,043	1,725	1,200	1,050	575
Culture and recreation	140,710	461,720	517,467	525,816	517,723	520,606	503,125	94,441	119,879	110,274
Community development	41,956	3,928	6,601	1,034	2,104	2,202	1,873	19,142	7,002	9,547
Operating grants and contributions	813,097	171,415	168,935	142,810	146,892	140,267	155,933	239,540	223,554	197,348
Capital grants and contributions	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	1,606,478
Total governmental activities program revenues	<u>3,587,562</u>	<u>3,186,462</u>	<u>4,093,605</u>	<u>4,754,137</u>	<u>2,599,890</u>	<u>1,807,604</u>	<u>1,791,413</u>	<u>1,971,803</u>	<u>6,374,359</u>	<u>2,290,578</u>
Business-type activities										
Charges for services										
Water and sewer funds	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	7,175,074
Sanitation	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	709,398
Capital grants and contributions	1,011,684	1,835,270	-0-	2,560	3,640	14,779	4,300	5,499	649,691	13,058
Total business-type activities program revenues	<u>10,426,069</u>	<u>11,292,162</u>	<u>9,563,799</u>	<u>10,309,102</u>	<u>10,140,537</u>	<u>8,902,217</u>	<u>8,823,748</u>	<u>8,454,669</u>	<u>9,086,464</u>	<u>7,897,530</u>
<b>Total primary government program revenues</b>	<u>\$ 14,013,631</u>	<u>\$ 14,478,624</u>	<u>\$ 13,657,404</u>	<u>\$ 15,063,239</u>	<u>\$ 12,740,427</u>	<u>\$ 10,709,821</u>	<u>\$ 10,615,161</u>	<u>\$ 10,426,472</u>	<u>\$ 15,460,823</u>	<u>\$ 10,188,108</u>

(Continued)

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net (expense) revenue										
Government activities	\$ (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)	\$ (14,142,127)
Business-type activities	1,216,362	1,548,895	526,877	221,007	615,613	(765,713)	(424,383)	(689,237)	191,337	(576,281)
Total primary government net expense	<u>\$ (14,931,824)</u>	<u>\$ (19,115,897)</u>	<u>\$ (17,447,478)</u>	<u>\$ (18,358,383)</u>	<u>\$ (16,312,234)</u>	<u>\$ (21,181,772)</u>	<u>\$ (17,818,358)</u>	<u>\$ (17,310,245)</u>	<u>\$ (12,074,269)</u>	<u>\$ (14,718,408)</u>
General revenues and other changes in net position										
Government activities:										
Taxes										
Sales taxes	\$ 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	\$ 9,313,414
Use taxes	687,268	534,587	464,468	401,838	376,677	352,654	308,664	267,510	242,219	222,969
Hotel/motel taxes	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	1,214,062
Property taxes levied for general purposes	1,725,978	1,736,053	1,492,610	1,569,229	1,093,315	894,685	634,647	625,850	547,468	483,188
Property taxes levied for employee benefits	691,784	697,975	677,923	744,842	752,613	782,209	753,586	755,626	690,404	596,229
Franchise taxes	137,982	143,167	149,755	149,231	154,335	157,350	157,818	148,598	142,175	135,283
Public service taxes	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	3,118,366
Gain (loss) on sale of fixed assets	212,390	(520)	9,525	9,655	138,223	(6,603)	27,114	28,727	4,386	85,689
Grants and contributions not restricted to specific programs	4,500	15,421	24,848	8,592	12,675	18,958	49,077	357,254	180,176	46,590
Unrestricted investment income	91,633	286,223	291,059	269,453	124,252	47,746	(227,299)	133,533	113,611	55,614
Miscellaneous	71,805	75,986	92,824	88,399	167,831	79,486	62,773	68,893	100,103	79,125
Transfers	(2,487,704)	(2,217,778)	(2,543,240)	(753,949)	(441,826)	(417,060)	(308,033)	(43,414)	(77,960)	-0-
Total governmental activities	<u>22,750,837</u>	<u>21,301,035</u>	<u>20,833,302</u>	<u>18,797,856</u>	<u>17,689,326</u>	<u>17,697,897</u>	<u>17,389,579</u>	<u>17,420,985</u>	<u>16,603,267</u>	<u>15,350,529</u>
Business-type activities:										
Property taxes levied for employee benefits	38,200	37,806	37,820	37,869	-0-	-0-	-0-	-0-	-0-	-0-
Gain (loss) on sale of fixed assets	26,180	-0-	-0-	-0-	3,082	-0-	-0-	-0-	(5,907)	(248)
Grants and contributions not restricted to specific programs	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	128
Unrestricted investment income	4,805	11,232	32,011	19,623	9,152	4,899	(24,429)	14,107	16,604	18,358
Miscellaneous	-0-	-0-	-0-	-0-	-0-	948	(577)	(125)	11,901	21,140
Transfers	2,057,666	2,000,151	2,543,240	753,949	441,826	417,060	308,033	43,414	77,960	-0-
Total business-type activities	<u>2,126,851</u>	<u>2,049,189</u>	<u>2,613,071</u>	<u>811,411</u>	<u>454,060</u>	<u>422,907</u>	<u>283,027</u>	<u>57,396</u>	<u>100,558</u>	<u>39,378</u>
Total primary government	<u>\$ 24,877,688</u>	<u>\$ 23,350,224</u>	<u>\$ 23,446,373</u>	<u>\$ 19,609,267</u>	<u>\$ 18,143,386</u>	<u>\$ 18,120,804</u>	<u>\$ 17,672,606</u>	<u>\$ 17,478,381</u>	<u>\$ 16,703,825</u>	<u>\$ 15,389,907</u>
Change in net position:										
Government activities	\$ 6,602,651	\$ 636,243	\$ 2,858,947	\$ 218,466	\$ 761,479	\$ (2,718,162)	\$ (4,396)	\$ 799,977	\$ 4,337,661	\$ 1,208,402
Business-type activities	3,343,213	3,598,084	3,139,948	1,032,418	1,069,673	(342,806)	(141,356)	(631,841)	291,895	(536,903)
Total primary government	<u>\$ 9,945,864</u>	<u>\$ 4,234,327</u>	<u>\$ 5,998,895</u>	<u>\$ 1,250,884</u>	<u>\$ 1,831,152</u>	<u>\$ (3,060,968)</u>	<u>\$ (145,752)</u>	<u>\$ 168,136</u>	<u>\$ 4,629,556</u>	<u>\$ 671,499</u>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Corporate Fund										
Nonspendable	\$ 3,523	\$ 1,138	\$ 1,950	\$ 3,098	\$ 1,145	\$ 1,840	\$ 503	\$ 1,720	\$ 1,975	\$ 1,997
Restricted	218,806	242,863	314,808	355,008	380,222	188,375	141,970	83,995	58,250	102,304
Committed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	642,550
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,216,280
Unassigned	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	3,532,836
Total General Corporate Fund	<u>8,371,486</u>	<u>5,831,446</u>	<u>4,466,735</u>	<u>3,964,030</u>	<u>3,926,292</u>	<u>3,638,285</u>	<u>4,135,924</u>	<u>3,890,271</u>	<u>3,781,750</u>	<u>6,495,967</u>
Quality of life										
Committed	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	-0-
Assigned	9,574	-0-	1,297,537	1,935,061	4,723,061	5,708,737	7,726,374	11,176,671	15,989,260	-0-
Unassigned	-0-	-0-	532,750	533,635	533,128	533,414	533,548	755,699	952,531	-0-
Total Quality of Life	<u>7,621,610</u>	<u>1,497,838</u>	<u>2,921,421</u>	<u>3,638,429</u>	<u>6,305,360</u>	<u>7,416,965</u>	<u>9,430,056</u>	<u>12,745,213</u>	<u>17,327,215</u>	<u>-0-</u>
General Corporate Capital										
Committed	676,545	474,089	1,268,326	571,153	465,594	(156,366)	30,247	189,550	(195,040)	-0-
Assigned	-0-	-0-	-0-	2,625,252	3,412,625	6,608,219	9,176,340	10,618,233	12,323,069	-0-
Unassigned	80,191	-0-	446,826	445,619	442,709	442,018	432,677	414,762	496,867	-0-
Total General Corporate Capital	<u>756,736</u>	<u>474,089</u>	<u>1,715,152</u>	<u>3,642,024</u>	<u>4,320,928</u>	<u>6,893,871</u>	<u>9,639,264</u>	<u>11,222,545</u>	<u>12,624,896</u>	<u>-0-</u>
Motor Fuel Tax										
Restricted	1,529,648	787,784	476,624	311,345	116,052	55,000	130,948	44,082	70,708	289,422
Total Motor Fuel Tax	<u>1,529,648</u>	<u>787,784</u>	<u>476,624</u>	<u>311,345</u>	<u>116,052</u>	<u>55,000</u>	<u>130,948</u>	<u>44,082</u>	<u>70,708</u>	<u>289,422</u>
Revolving Loan										
Unassigned	-0-	-0-	-0-	-0-	2,112,924	2,118,870	2,120,887	2,120,457	2,133,882	2,174,888
Total Revolving Loan	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,112,924</u>	<u>2,118,870</u>	<u>2,120,887</u>	<u>2,120,457</u>	<u>2,133,882</u>	<u>2,174,888</u>
Convention and Visitors' Bureau										
Nonspendable	1,564	1,545	2,157	1,853	2,346	2,499	2,817	2,794	2,931	1,135
Committed	128,763	153,004	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	168,135	153,975	130,851	110,604	99,051	453,721	393,135	427,008
Total Convention and Visitors' Bureau	<u>130,327</u>	<u>154,549</u>	<u>170,292</u>	<u>155,828</u>	<u>133,197</u>	<u>113,103</u>	<u>101,868</u>	<u>456,515</u>	<u>396,066</u>	<u>428,143</u>
Special Service Area Number One										
Committed	10,763	4,360	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	7,668	4,341	24,186	41,034	103,285	96,218	55,957	45,189
Total Special Service Area Number One	<u>10,763</u>	<u>4,360</u>	<u>7,668</u>	<u>4,341</u>	<u>24,186</u>	<u>41,034</u>	<u>103,285</u>	<u>96,218</u>	<u>55,957</u>	<u>45,189</u>
Home Rule Sales Tax Fund										
Committed	8,879,075	2,838,237	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	1,361,195	827,060	-0-	-0-	-0-	-0-	-0-	-0-
Total Home Rule Sales Tax Fund	<u>8,879,075</u>	<u>2,838,237</u>	<u>1,361,195</u>	<u>827,060</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TIF - Downtown										
Committed	(2,093)	32,480	161,667	94,063	48,395	10,000	252,310	370,055	181,657	188,562
Unassigned	-0-	-0-	(138,611)	(152,685)	(200,263)	(209,588)	(188,939)	(245,343)	(104)	(43,886)
Total TIF - Downtown	<u>(2,093)</u>	<u>32,480</u>	<u>23,056</u>	<u>(58,622)</u>	<u>(151,868)</u>	<u>(199,588)</u>	<u>63,371</u>	<u>124,712</u>	<u>181,553</u>	<u>144,676</u>
TIF - Homestead										
Unassigned	-0-	-0-	-0-	-0-	-0-	140	(360)	(772)	(1,250)	(888)
Total TIF - Homestead	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>140</u>	<u>(360)</u>	<u>(772)</u>	<u>(1,250)</u>	<u>(888)</u>
TIF - Rt 15 and I-57										
Committed	147,544	90,210	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	59,616	32,521	10,060	(14,731)	(33,319)	(34,553)	(34,193)	(33,843)
Total TIF - Rt 15 and I-57	<u>147,544</u>	<u>90,210</u>	<u>59,616</u>	<u>32,521</u>	<u>10,060</u>	<u>(14,731)</u>	<u>(33,319)</u>	<u>(34,553)</u>	<u>(34,193)</u>	<u>(33,843)</u>
TIF - Industrial Park										
Committed	345,583	109,826	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	(8,606)	(46,697)	20,039	(20,845)	(22,609)	(23,128)	(22,960)	(23,053)
Total TIF - Industrial Park	<u>345,583</u>	<u>109,826</u>	<u>(8,606)</u>	<u>(46,697)</u>	<u>20,039</u>	<u>(20,845)</u>	<u>(22,609)</u>	<u>(23,128)</u>	<u>(22,960)</u>	<u>(23,053)</u>
Pension Sales Tax Fund										
Committed	165,921	(217,627)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Pension Sales Tax Fund	<u>165,921</u>	<u>(217,627)</u>	<u>-0-</u>	<u>-0-</u>						
Grand total	<u>\$27,956,600</u>	<u>\$11,603,192</u>	<u>\$11,193,153</u>	<u>\$12,470,259</u>	<u>\$16,817,170</u>	<u>\$20,042,104</u>	<u>\$25,669,315</u>	<u>\$30,641,560</u>	<u>\$36,513,624</u>	<u>\$9,520,501</u>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues</b>										
Sales taxes	\$ 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	\$ 9,313,414
Use taxes	687,268	534,587	464,468	401,838	376,677	352,654	308,664	267,510	242,219	222,969
Hotel/motel taxes	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	1,214,062
Property taxes levied for general purposes	1,651,396	1,420,677	1,199,298	1,099,703	888,824	811,675	576,048	521,786	505,922	520,962
Property taxes levied for employee benefits	696,656	698,005	735,111	731,806	775,339	745,845	727,491	662,753	584,355	565,632
Franchise taxes	137,982	143,167	149,755	149,231	154,335	157,350	157,818	148,598	142,175	135,283
Public service taxes	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	3,106,083
Gain on sale of fixed assets	-0-	4,080	10,525	17,835	145,723	4,897	37,113	71,311	6,821	174,325
Grants and contributions not restricted to specific programs	-0-	12,921	21,873	3,492	675	4,958	21,077	7,000	8,376	32,590
Unrestricted investment income	86,485	255,687	262,858	259,647	122,759	46,341	(229,381)	132,118	112,386	54,757
Miscellaneous	71,789	75,986	92,824	87,388	167,830	79,494	62,766	68,873	111,285	79,119
Operating grants and contributions	813,097	171,415	168,935	143,810	146,892	140,267	155,933	239,540	223,554	1,352,144
Capital grants and contributions	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	451,682
Charges for services	728,962	1,118,020	1,099,433	939,096	897,516	935,229	992,431	597,643	529,529	486,752
<b>Total revenues</b>	<u>27,700,795</u>	<u>26,048,795</u>	<u>26,742,136</u>	<u>23,124,107</u>	<u>20,275,981</u>	<u>19,802,218</u>	<u>19,376,071</u>	<u>18,865,361</u>	<u>22,753,528</u>	<u>17,709,774</u>
<b>Expenditures</b>										
General government	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	6,015,912
Public safety										
Police	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	4,567,598
Fire	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	3,084,625
Public works	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	2,370,595
Engineering services	390,067	391,071	381,256	394,003	487,417	605,936	617,969	639,489	597,318	385,365
Culture and recreation	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	1,260,401
Community development	1,636,126	1,553,907	1,190,744	2,774,830	1,054,678	934,927	566,832	300,223	719,990	525,222
Interest and fiscal charges	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	140,798
<b>Total expenditures</b>	<u>21,258,164</u>	<u>21,809,906</u>	<u>23,752,786</u>	<u>24,868,282</u>	<u>22,717,464</u>	<u>23,936,383</u>	<u>23,401,435</u>	<u>23,952,574</u>	<u>28,011,425</u>	<u>18,350,516</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,442,631</u>	<u>4,238,889</u>	<u>2,989,350</u>	<u>(1,744,175)</u>	<u>(2,441,483)</u>	<u>(4,134,165)</u>	<u>(4,025,364)</u>	<u>(5,087,213)</u>	<u>(5,257,897)</u>	<u>(640,742)</u>
<b>Other financing sources (uses)</b>										
Transfers from other funds	1,383,259	598,321	3,618,791	1,109,802	951,060	609,516	2,154,934	267,648	502,681	639,382
Transfers to other funds	(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)	(639,382)
Sale of assets	238,257	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	925
Principal paid on long-term debt	(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)	(292,210)
Long-term debt issued	37,762,580	50,000	-0-	-0-	1,351,319	608,000	250,000	498,000	32,631,428	-0-
<b>Net other financing sources (uses)</b>	<u>9,910,777</u>	<u>(3,828,850)</u>	<u>(4,266,456)</u>	<u>(2,602,736)</u>	<u>(783,451)</u>	<u>(1,493,046)</u>	<u>(946,887)</u>	<u>(784,847)</u>	<u>32,251,020</u>	<u>(291,285)</u>
<b>Net change in fund balance</b>	<u>\$ 16,353,408</u>	<u>\$ 410,039</u>	<u>\$ (1,277,106)</u>	<u>\$ (4,346,911)</u>	<u>\$ (3,224,934)</u>	<u>\$ (5,627,211)</u>	<u>\$ (4,972,251)</u>	<u>\$ (5,872,060)</u>	<u>\$26,993,123</u>	<u>\$ (932,027)</u>

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

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

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

CITY OF MT. VERNON, ILLINOIS  
PRINCIPAL EMPLOYERS

April 30, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, and 2012

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<b><u>April 30, 2021</u></b>				
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>
<b><u>April 30, 2020</u></b>				
Continental Tire The Americas, LLC	Manufacturing	20.5%	3,432	
SSM Health-Good Samaritan Hospital	Healthcare	12.4%	2,073	
Walgreens Distribution Center	Distribution	8.2%	1,380	
Crossroads Community Hospital	Healthcare	1.7%	290	
Mt. Vernon City Schools District 80	Education	1.7%	283	
Rend Lake College	Education	1.6%	261	
National Railway Equipment Company	Manufacturing	1.2%	207	
Spero Family Services	Service	1.2%	193	
Jefferson County	County Government	1.1%	178	
Mt. Vernon Township High School	Education	1.0%	171	
Kroger	Retail	0.9%	155	
City of Mt. Vernon	Municipality	0.8%	141	
Peoples National Bank	Banking	0.6%	102	
Magnum Steel Works	Manufacturing	0.6%	91	
NAPA Distribution Center	Distribution	0.5%	90	
Durham Bus Service	Transportation	0.5%	84	
Orthopedic Center of Southern IL	Healthcare	0.5%	78	
Medline	Medical Billing	0.5%	77	
Total at April 30, 2020		<u>55.5%</u>	<u>9,286</u>	<u>16,729</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS  
PRINCIPAL EMPLOYERS

April 30, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, and 2012

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

(Continued)

(Continued)

CITY OF MT. VERNON, ILLINOIS  
PRINCIPAL EMPLOYERS

April 30, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, and 2012

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

(Continued)

CITY OF MT. VERNON, ILLINOIS  
 PRINCIPAL EMPLOYERS  
 April 30, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, and 2012

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

(Continued)

(Continued)

CITY OF MT. VERNON, ILLINOIS  
PRINCIPAL EMPLOYERS

April 30, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, and 2012

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



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

Function/Program	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	Fiscal Year 2012
General government										
City council	2.50	2.50	2.50	2.50	2.50	2.50	2.63	2.50	2.50	3.25
City manager	3.00	3.00	2.75	2.00	2.00	2.38	3.13	3.00	3.00	2.00
City clerk	1.75	1.50	1.50	2.00	2.00	2.00	2.38	2.38	2.00	1.75
Human resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City treasurer	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Finance administration	4.00	4.00	3.75	3.75	4.00	4.00	3.75	3.75	3.75	3.75
Legal	0.00	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50
Total general government	<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>	<u>13.75</u>
Public safety										
Police	51.50	52.25	52.50	51.75	52.88	56.00	56.25	55.75	56.00	56.00
Fire	28.50	27.75	28.75	30.00	30.00	30.00	28.75	29.75	30.75	30.25
Total public safety	<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>	<u>86.25</u>
Transportation and building										
Public works	14.25	14.50	14.25	13.25	16.38	19.88	18.88	19.88	19.50	19.13
Engineering	4.88	4.63	4.25	5.00	6.25	7.00	7.75	6.88	7.13	5.75
Fleet services	5.50	5.25	5.00	5.50	5.25	6.50	7.00	7.00	7.00	7.00
Total transportation and building	<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>	<u>31.88</u>
Culture, parks and recreation										
Park	12.01	7.50	8.38	15.38	16.50	19.00	18.13	15.50	16.13	15.00
Tourism	2.75	3.50	3.13	3.50	3.75	4.13	4.13	4.63	4.50	4.38
Total culture, parks and recreation	<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>	<u>19.38</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	1.38	2.13
Total community and economic development	<u>0.00</u>	<u>1.38</u>	<u>2.13</u>							
Public utilities	15.63	15.00	14.75	15.75	16.00	16.25	17.00	18.00	18.00	18.00
Public utilities (billing services)	3.25	3.00	3.00	3.13	3.25	3.38	3.50	3.38	3.50	3.38
Total public utilities	<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>	<u>21.38</u>
Total government	<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>	<u>174.77</u>

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

Function/Program	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	Fiscal Year 2012
<b>Police</b>										
Physical arrests	920	1,254	1,525	1,342	1,238	1,611	1,569	1,593	1,612	1,734
Parking violations	36	15	77	37	15	202	953	308	630	866
Traffic violations	1,026	1,512	2,484	2,671	2,428	2,900	3,262	4,007	3,856	3,547
<b>Fire</b>										
Emergency responses	3,569	3,631	3,424	2,494	2,559	2,778	2,577	2,370	2,859	2,124
Fires extinguished	174	43	49	104	90	121	111	112	117	113
<b>Sanitation</b>										
Refuse collected (tons per day)	N/A	17.54	18.72	19.84	19.34	20.16	16.27	19.97	17.6	21.1
<b>Street</b>										
Street resurfacing (in miles)	3.54	2.40	4.07	4.31	3.45	0.78	0.86	0.84	0.59	1.3
Potholes repaired	N/A									
<b>Water</b>										
Average daily consumption (1,000's of gallons)	2,788	2,899	3,118	3,438	3,399	3,404	3,285	3,601	3,423	3,290
Water main breaks	97	136	166	218	270	169	93	190	203	126
<b>Wastewater</b>										
Average daily flow treated (1,000's of gallons)	2,666	4,130	3,533	3,086	3,303	3,430	3,800	3,180	3,130	3,730

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

	2020 Taxes	2019 Taxes	2018 Taxes	2017 Taxes	2016 Taxes	2015 Taxes	2014 Taxes	2013 Taxes	2012 Taxes	2011 Taxes
Assessed valuations	<u>\$235,665,249</u>	<u>\$235,335,756</u>	<u>\$228,903,950</u>	<u>\$227,321,413</u>	<u>\$219,269,781</u>	<u>\$210,806,720</u>	<u>\$210,646,308</u>	<u>\$205,525,358</u>	<u>\$199,241,099</u>	<u>\$199,276,935</u>
Tax rates by fund, per \$100 of assessed valuation:										
General Corporate	0.0041	0.0041	0.0042	0.0043	0.0043	0.0041	0.0040	0.0041	0.0043	0.0042
I.M.R.F.	0.1867	0.1870	0.1922	0.2340	0.2340	0.3626	0.3568	0.3594	0.3352	0.2955
City Park	0.1187	0.1188	0.1222	0.1739	0.1739	0.0881	0.0855	0.0877	0.0905	0.0907
Police Pension	0.3799	0.3804	0.3911	0.3418	0.3418	0.3823	0.3147	0.3327	0.3440	0.3492
Firefighters' Pension	0.4050	0.4056	0.4170	0.3495	0.3495	0.3613	0.4010	0.4071	0.3962	0.3746
Social Security	0.1277	0.1279	0.1315	0.1189	0.1189	0.0000	0.0000	0.0000	0.0000	0.0000
City-wide tax rate	<u>1.2221</u>	<u>1.2238</u>	<u>1.2582</u>	<u>1.2224</u>	<u>1.2224</u>	<u>1.1984</u>	<u>1.1620</u>	<u>1.1910</u>	<u>1.1702</u>	<u>1.1142</u>
Assessed valuations - Special Service Area Number One	<u>\$ 4,556,539</u>	<u>\$ 5,133,162</u>	<u>\$ 5,133,162</u>	<u>\$ 5,143,843</u>	<u>\$ 5,119,360</u>	<u>\$ 5,183,031</u>	<u>\$ 5,224,717</u>	<u>\$ 5,217,161</u>	<u>\$ 5,233,896</u>	<u>\$ 5,242,721</u>
Special Service Area Number One	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6376</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>
Special Service Area Number One tax rate	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6376</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>
Tax extensions by fund:										
General Corporate	\$ 9,709	\$ 9,719	\$ 9,706	\$ 9,410	\$ 9,363	\$ 8,893	\$ 8,447	\$ 8,447	\$ 8,468	\$ 8,469
*I.M.R.F.	440,010	440,007	439,999	540,207	513,179	778,889	751,649	738,740	667,776	588,844
City Park	279,711	279,697	279,698	271,513	381,288	189,159	180,145	180,143	180,373	180,684
Police Pension	895,198	895,170	895,152	836,475	749,420	821,185	662,946	683,762	685,389	695,875
Firefighters' Pension	954,515	954,498	954,484	919,288	766,436	776,118	844,692	836,756	789,294	746,432
Social Security	301,015	301,018	301,009	241,006	260,734	-0-	-0-	-0-	-0-	-0-
City-wide tax extensions	<u>\$ 2,880,158</u>	<u>\$ 2,880,109</u>	<u>\$ 2,880,048</u>	<u>\$ 2,817,899</u>	<u>\$ 2,680,420</u>	<u>\$ 2,574,244</u>	<u>\$ 2,447,879</u>	<u>\$ 2,447,848</u>	<u>\$ 2,331,300</u>	<u>\$ 2,220,304</u>
Special Service Area Number One	<u>\$ 74,727</u>	<u>\$ 79,561</u>	<u>\$ 84,184</u>	<u>\$ 84,000</u>	<u>\$ 83,958</u>	<u>\$ 85,002</u>	<u>\$ 85,562</u>	<u>\$ 85,561</u>	<u>\$ 85,836</u>	<u>\$ 85,981</u>
Special Service Area Number One tax extensions	<u>\$ 74,727</u>	<u>\$ 79,561</u>	<u>\$ 84,184</u>	<u>\$ 84,000</u>	<u>\$ 83,958</u>	<u>\$ 85,002</u>	<u>\$ 85,562</u>	<u>\$ 85,561</u>	<u>\$ 85,836</u>	<u>\$ 85,981</u>

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

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

	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	2010 Taxes Settled In 2011 and 2012
Jefferson County Collectors' records: Charges										
Extension of tax	\$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	\$2,433,680
Errors and uncollected tax	-0-	(1,800)	(2,459)	(1,868)	4,416	(13,158)	(12,064)	(2,401)	5,426	4,352
Amount of tax on books	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	2,438,032
Other charges	-0-	-0-	-0-	-0-	-0-	-0-	(20)	-0-	-0-	-0-
Total charges	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	2,438,032
Total received by County Collector for the City of Mt. Vernon, Illinois	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	2,438,032
Road and bridge tax	161,104	153,135	151,904	150,585	148,825	147,592	140,227	136,987	134,121	136,906
Total due the City of Mt. Vernon, Illinois	<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>	<u>\$2,574,938</u>
City of Mt. Vernon, Illinois distribution by fund:										
General Corporate, including road and bridge tax	\$ 448,110	\$ 440,508	\$ 429,850	\$ 539,082	\$ 345,985	\$ 334,743	\$ 325,945	\$ 324,407	\$ 321,832	\$ 325,613
*I.M.R.F.	734,857	666,106	702,661	699,444	747,943	713,902	697,582	641,613	584,354	565,632
Special Service Area										
Number One - administration	76,044	84,214	83,929	84,000	85,002	85,562	85,561	85,836	85,693	86,594
TIF Homestead	-0-	-0-	-0-	-0-	909	893	870	838	162	231
TIF Downtown	428,946	430,972	414,821	374,122	359,114	360,550	303,289	246,793	231,912	245,116
TIF IPC	533,294	322,492	137,129	3,913	2,584	2,244	890	624	443	315
TIF Route 15/I-57	326,105	295,626	285,473	249,316	244,300	176,820	173,407	-0-	-0-	-0-
Police Pension	887,719	888,872	827,608	745,288	817,427	657,796	673,350	680,233	690,570	617,768
Firefighters' Pension	946,553	947,788	909,543	762,209	772,569	838,156	824,013	783,356	740,741	733,669
Total distribution	<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>	<u>\$2,574,938</u>

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

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

Fiscal Year	Water Fund	Sewer Fund	Sanitation
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
2012	6,940,775	-0-	709,398

\*\*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>
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
2012	6,413	6,352	5,356

CITY OF MT. VERNON, ILLINOIS  
SCHEDULE OF INSURANCE COVERAGE  
April 30, 2021

Policy Number and Company	Expiration Date	Coverage	Amount Excluding Deductible
P3-1000552-1920-01 Illinois Counties Risk Management Trust	12/1/2020	General Liability (Each Occurrence/Aggregate)	\$1,000,000/\$3,000,000
		Premises Medical Payments (Ea Prsn, Ea Occur)	\$5,000/\$50,000
		Sexual Abuse Liability (Each Occurrence/Aggregate)	\$1,000,000/\$1,000,000
		Law Enforcement Liability (Each Occur/Aggregate)	\$1,000,000/\$3,000,000
		Auto Liability (Each Occurrence)	\$1,000,000
		Auto Medical Pmts (Each Person/Each Accident)	\$5,000/\$25,000
		Uninsured & Underinsured Motorist Liability (Ea. Occur.)	\$100,000
		Auto Physical Damage (Total Agreed Value)	\$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