

**City of
Mt. Vernon,
Illinois**

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE YEAR ENDED
APRIL 30, 2024**

City of Mt. Vernon, Illinois
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April 30, 2024

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City of Mt. Vernon, Illinois
List of Principal Officials
April 30, 2024

City Council

| | |
|------------|------------|
| City Mayor | John Lewis |
|------------|------------|

| | |
|----------------|-----------|
| Council Member | Ray Botch |
|----------------|-----------|

| | |
|----------------|-------------|
| Council Member | Joe Gliosci |
|----------------|-------------|

| | |
|----------------|-------------|
| Council Member | Donte Moore |
|----------------|-------------|

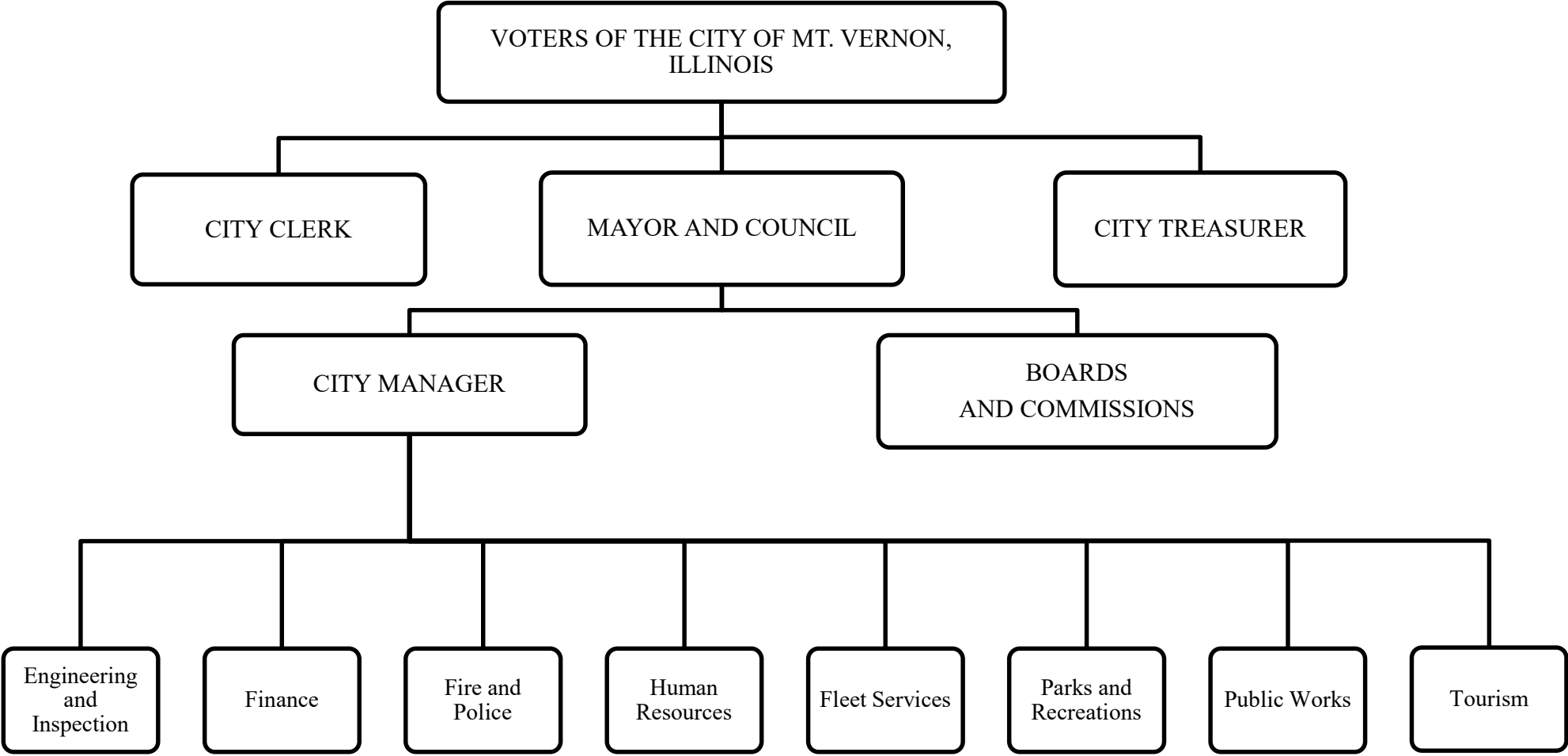
| | |
|----------------|------------|
| Council Member | Mike Young |
|----------------|------------|

| | |
|--------------|--------------------|
| City Manager | Mary Ellen Bechtel |
|--------------|--------------------|

| | |
|------------|----------------|
| City Clerk | Mary Pemberton |
|------------|----------------|

| | |
|-------------------|-----------------|
| Deputy City Clerk | Rebecca Barbour |
|-------------------|-----------------|

City of Mt. Vernon, Illinois
Organization Chart
April 30, 2024





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mt. Vernon, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Mt. Vernon, Illinois' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mt. Vernon, Illinois, as of April 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 8 to the financial statements, the City of Mt. Vernon, Illinois adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which established a model for accounting for subscription-based information technology arrangements based on the foundational principle that SBITAs are financings of an underlying subscription asset. Our opinion is not modified with respect to these matters.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Mt. Vernon, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Mt. Vernon, Illinois' internal control. Accordingly, no such opinion is expressed.



- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Mt. Vernon, Illinois' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 17, Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Major Funds on pages 91 through 92, the Illinois Municipal Retirement Fund - Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios on page 93, the Illinois Municipal Retirement Fund - Schedule of Employer Contributions on page 94, the Police Pension Fund - Schedule of Changes in the Employer's Net Pension Liability and Related Ratios on page 95, the Police Pension Fund - Schedule of Employer Contributions on page 96, the Police Pension Fund - Schedule of Investment Returns on page 97, the Firefighters' Pension Fund - Schedule of Changes in the Employer's Net Pension Liability and Related Ratios on page 98, the Firefighters' Pension Fund - Schedule of Employer Contributions on page 99, the Firefighters' Pension Fund - Schedule of Investment Returns on page 100, and the Other Post-Employment Benefit Plans - Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios on page 101, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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



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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated ___, 2024, 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.

Roth & Company LLP

Chicago, Illinois
October 24, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

City of Mt. Vernon, Illinois
Management's Discussion and Analysis
April 30, 2024

This section of the City of Mt. Vernon, Illinois' (City) annual comprehensive financial report presents the discussion and analysis of the City's financial performance during the fiscal year ended April 30, 2024. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$68.3 million (net position) as of April 30, 2024.
- The City's total net position for the fiscal year increased by \$12.0 million, or 21%. The governmental net position increased by \$8.8 million, or 34%, and the business-type net position increased by \$3.2 million, or 11%.
- The City's governmental funds reported combined ending fund balances of \$37.2 million. The General Fund accounted for \$18.0 million, or 48%, of the total. The General Fund ending fund balance increased by \$1.4 million, or 8%, from the previous reporting period.
- Net position in the City's pension trust funds increased by \$2.5 million, or 6%, from the previous reporting period.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of a series of financial statements and other information, as follows:

- *Management's Discussion and Analysis* introduces financial statements and provides an analytical overview of the City's financial activities.
- The *Government-wide financial statements* consist of the Statement of Net Position and the Statement of Activities. These provide information about the activities of the City as a whole and present an overall view of the City's financial status.
- The *fund financial statements* focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. The governmental funds financial 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.

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. In addition to these required elements, the report includes a section with combining statements that provide details about the nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

The Statement of Net Position and the Statement of Activities

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 Government-wide financial statements report the City's net position and how they have changed. Net position—the difference between assets and deferred outflows of resources and 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 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, additional information at the bottom of the governmental funds statement, or on the subsequent page is provided, 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 Position and a Statement of Changes in Fiduciary Net Position. The City 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. The RSI 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

Statement of Net Position

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 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 City's combined net position amounted to \$68.3 million. Of that total \$57.4 million is in the form of net investment in capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Mt. Vernon, Illinois
Management's Discussion and Analysis
April 30, 2024

The following table presents a condensed summary of net position as of April 30, 2024, and April 30, 2023:

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| ASSETS | | | | | | |
| Current and other assets | \$ 47,432,675 | \$ 44,819,652 | \$ 9,919,007 | \$ 7,886,842 | \$ 57,351,682 | \$ 52,706,494 |
| Capital assets | 63,581,965 | 59,359,741 | 37,184,738 | 33,960,296 | 100,766,703 | 93,320,037 |
| TOTAL ASSETS | 111,014,640 | 104,179,393 | 47,103,745 | 41,847,138 | 158,118,385 | 146,026,531 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred outflows related to pensions | 11,156,680 | 15,182,750 | 548,250 | 920,242 | 11,704,930 | 16,102,992 |
| Deferred outflows related to OPEB | 2,055,170 | 2,412,044 | 353,043 | 414,349 | 2,408,213 | 2,826,393 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 13,211,850 | 17,594,794 | 901,293 | 1,334,591 | 14,113,143 | 18,929,385 |
| LIABILITIES | | | | | | |
| Current liabilities | 5,439,674 | 5,612,077 | 2,441,377 | 2,194,323 | 7,881,051 | 7,806,400 |
| Long-term liabilities | 71,788,648 | 79,203,439 | 11,445,093 | 10,010,376 | 83,233,741 | 89,213,815 |
| TOTAL LIABILITIES | 77,228,322 | 84,815,516 | 13,886,470 | 12,204,699 | 91,114,792 | 97,020,215 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred inflows related to pensions | 7,120,736 | 5,176,188 | 58,071 | 114,792 | 7,178,807 | 5,290,980 |
| Deferred inflows related to OPEB | 2,129,239 | 2,269,750 | 365,769 | 389,906 | 2,495,008 | 2,659,656 |
| Deferred property tax revenues | 3,098,777 | 3,622,837 | - | - | 3,098,777 | 3,622,837 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 12,348,752 | 11,068,775 | 423,840 | 504,698 | 12,772,592 | 11,573,473 |
| NET POSITION | | | | | | |
| Net investment in capital assets | 31,188,882 | 23,989,945 | 26,165,618 | 24,433,449 | 57,354,500 | 48,423,394 |
| Restricted | 6,704,075 | 4,312,897 | - | - | 6,704,075 | 4,312,897 |
| Unrestricted | (3,243,541) | (2,412,946) | 7,529,110 | 6,038,883 | 4,285,569 | 3,625,937 |
| TOTAL NET POSITION | \$ 34,649,416 | \$ 25,889,896 | \$ 33,694,728 | \$ 30,472,332 | \$ 68,344,144 | \$ 56,362,228 |

City of Mt. Vernon, Illinois
Management's Discussion and Analysis
April 30, 2024

Statement of Activities

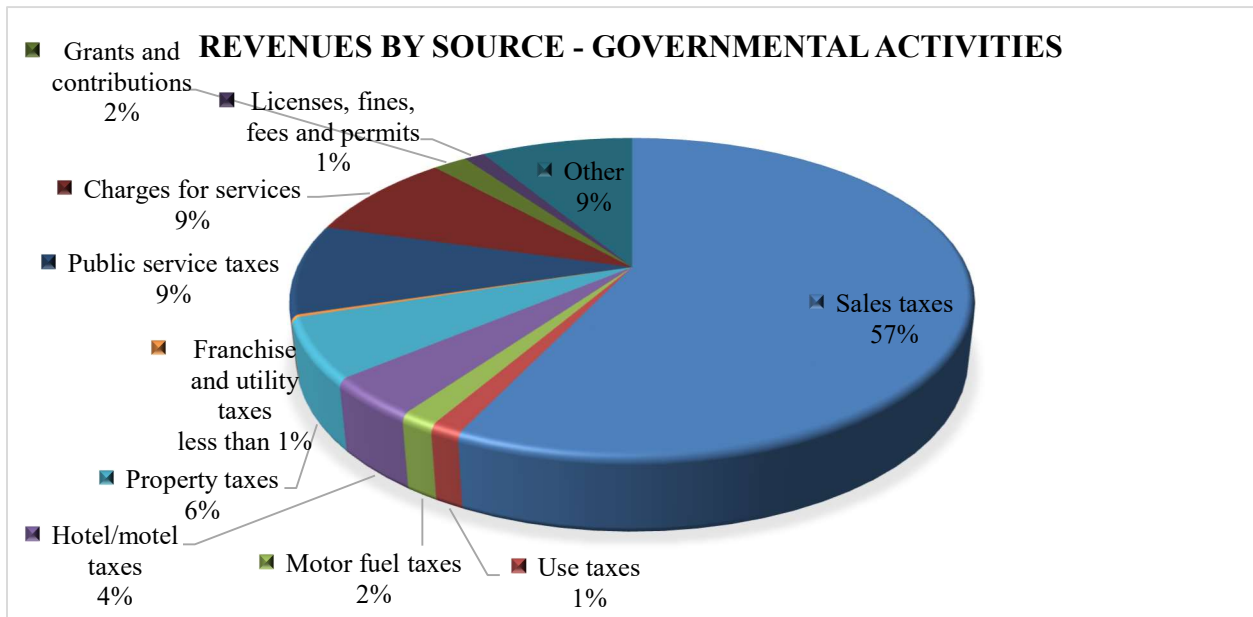
| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| REVENUES | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 3,857,221 | \$ 3,351,976 | \$ 10,727,769 | \$ 10,131,349 | \$ 14,584,990 | \$ 13,483,325 |
| Grants and contributions | 848,699 | 2,427,447 | 307,411 | 1,266,132 | 1,156,110 | 3,693,579 |
| General revenues | | | | | | |
| Sales taxes | 24,855,104 | 24,104,385 | - | - | 24,855,104 | 24,104,385 |
| Property taxes | 2,663,832 | 2,548,996 | - | - | 2,663,832 | 2,548,996 |
| Other taxes | 7,038,241 | 6,582,999 | - | - | 7,038,241 | 6,582,999 |
| Licenses, fines, fees and permits | 500,624 | 570,354 | - | - | 500,624 | 570,354 |
| Other | 3,762,953 | 1,098,166 | 480,869 | 63,076 | 4,243,822 | 1,161,242 |
| Total revenues | <u>43,526,674</u> | <u>40,684,323</u> | <u>11,516,049</u> | <u>11,460,557</u> | <u>55,042,723</u> | <u>52,144,880</u> |
| EXPENDITURES | | | | | | |
| Program expenses | | | | | | |
| General government | 15,571,078 | 13,613,320 | - | - | 15,571,078 | 13,613,320 |
| Public safety | 9,621,409 | 9,282,151 | - | - | 9,621,409 | 9,282,151 |
| Public works | 2,107,489 | 2,643,047 | - | - | 2,107,489 | 2,643,047 |
| Health and sanitation | - | - | 10,567,364 | 10,373,925 | 10,567,364 | 10,373,925 |
| Culture and recreation | 722,769 | 1,105,741 | - | - | 722,769 | 1,105,741 |
| Community development | 1,070,136 | 1,039,714 | - | - | 1,070,136 | 1,039,714 |
| Capital outlay | 1,716,081 | 54,917 | - | - | 1,716,081 | 54,917 |
| Interest | 828,771 | 914,134 | 237,344 | 233,278 | 1,066,115 | 1,147,412 |
| Total expenses | <u>31,637,733</u> | <u>28,653,024</u> | <u>10,804,708</u> | <u>10,607,203</u> | <u>42,442,441</u> | <u>39,260,227</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>11,888,941</u> | <u>12,031,299</u> | <u>711,341</u> | <u>853,354</u> | <u>12,600,282</u> | <u>12,884,653</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Loss on asset disposals | (202,054) | (2,789,283) | - | (775,788) | (202,054) | (3,565,071) |
| Transfers in (out) | (2,927,367) | (2,506,564) | 2,511,055 | 2,305,898 | (416,312) | (200,666) |
| Total other financing sources (uses) | <u>(3,129,421)</u> | <u>(5,295,847)</u> | <u>2,511,055</u> | <u>1,530,110</u> | <u>(618,366)</u> | <u>(3,765,737)</u> |
| CHANGE IN NET POSITION | 8,759,520 | 6,735,452 | 3,222,396 | 2,383,464 | 11,981,916 | 9,118,916 |
| NET POSITION, BEGINNING OF YEAR | <u>25,889,896</u> | <u>19,154,444</u> | <u>30,472,332</u> | <u>28,088,868</u> | <u>56,362,228</u> | <u>47,243,312</u> |
| NET POSITION, END OF YEAR | <u>\$ 34,649,416</u> | <u>\$ 25,889,896</u> | <u>\$ 33,694,728</u> | <u>\$ 30,472,332</u> | <u>\$ 68,344,144</u> | <u>\$ 56,362,228</u> |

Governmental Activities

Governmental activities increased the City's net position by \$8.8 million during the fiscal year.

Revenues

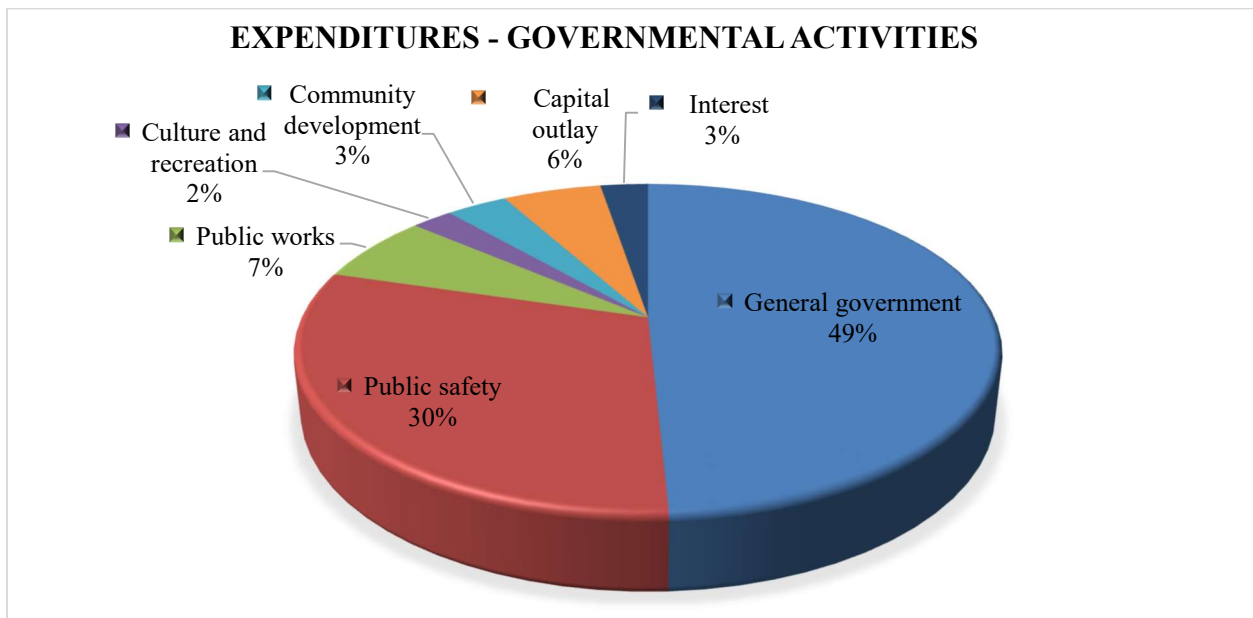
The City's governmental activities total revenues amounted to \$43.5 million in fiscal year 2024. The largest revenue category is taxes, which amounted to \$34.6 million. In fiscal year 2024, 72% of all taxes came from sales tax collections. \$4.7 million of total revenue was derived from program revenue, which consists of charges for services, federal and state grants, and other contributions. The graph below presents the revenue sources of governmental activities for the year ended April 30, 2024.



Expenditures

Total governmental activities expenses amounted to \$31.6 million in fiscal year 2024. The City's largest program expenditures comprised of general government (49%) and public safety (30%).

The graph below presents the cost of each of the City's expenditures-general government, public safety (police and fire), public works, culture and recreation, and community development, as well capital outlay and interest expenses.



Business-type Activities

Business-type activities increased the City's net position by \$3.2 million.

Revenues

Overall revenues from business-type activities increased by \$0.06 million (0.5%) from the prior year. The increase comes from the program-related revenues as a result of an increase in charges for services.

Expenses

Total expenses from business-type activities increased by \$0.2 million (2%). Expenses in the Sewer Fund decreased by \$0.2 million as a result of the decrease in distribution and administration and general expenses. Water Fund and Sanitation Fund expenses increased by \$0.3 million and \$0.05 million, respectively, due to increase in cost of sales and services.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on inflows and balances of available spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At April 30, 2024, the City's governmental funds reported combined ending fund balances of \$37.2 million, an increase of \$2.2 million (6%) in comparison with the prior fiscal year. Of the total fund balance amount, \$17.7 million constitutes unassigned fund balance, which is an increase of \$1.4 million over the prior year. The remainder of the fund balance is for a variety of restricted and committed purposes and is not available for new spending.

Major Governmental Funds

The City's overall General Fund revenues increased by \$0.8 million (4%) in fiscal year 2024. The increase in revenue comes from the increased taxes collected. In addition, expenditures from the General Fund increased by \$0.6 million (4%) in fiscal year 2024. The increase was attributable to the increase in general government and public safety expenditures.

City of Mt. Vernon, Illinois
Management's Discussion and Analysis
April 30, 2024

Changes in fund balances for other major governmental funds can be described as follows:

- The total fund balance for the Quality of Life fund decreased by \$4.0 million (47%) from the prior year's total fund balance. This decrease is primarily due to increase in capital outlays during the year.
- The fund balance for the Home Rule Tax fund increased by \$1.5 million (38%). This fund is created to account for the revenue received from the 1% home rule sales tax. The City Council restricted the use of this fund to expenditures incurred or 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.

Proprietary Fund

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The City's Water Fund net position increased by \$2.5 million, which was due to the loss on asset dispositions/adjustments recognized during fiscal year 2023. Revenues and expenses increased by \$0.2 million and \$0.3 million, respectively, during the fiscal year.

The City's Sewer Fund net position increased by \$0.7 million which is a minimal movement from the prior year's net position. Revenues increased by \$0.3 million while expenditures decreased by \$0.2 million during the fiscal year.

The City's Sanitation Fund net position increased by \$0.07 million which is a minimal movement from the prior year's net position. Revenues and expenses increased by \$0.1 million and \$0.05 million, respectively, during the fiscal year.

The City's self-insured Health Insurance Fund, which is considered an "Internal Service Fund," had an increase in net position of \$0.03 million, which is a minimal movement from the prior year's net position.

City of Mt. Vernon, Illinois
Management's Discussion and Analysis
April 30, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS

The following chart reflects the condensed budgetary comparison schedule for General Fund:

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|------------------------------------------------------|-------------------|-------------------|---------------------|-----------------------------------------------|
| | Original | Final | Actual | |
| Revenues | | | | |
| Taxes | \$ 19,518,684 | \$ 19,518,684 | \$ 19,313,918 | \$ (204,766) |
| Governmental grants | 18,500 | 18,500 | 36,033 | 17,533 |
| Other | 1,289,372 | 1,289,372 | 2,319,224 | 1,029,852 |
| Total revenues | <u>20,826,556</u> | <u>20,826,556</u> | <u>21,669,175</u> | <u>842,619</u> |
| Expenditures | | | | |
| Current expenditures | <u>20,573,998</u> | <u>20,528,998</u> | <u>17,037,024</u> | <u>3,491,974</u> |
| Excess (Deficiency) of revenues over expenditures | <u>\$ 252,558</u> | <u>\$ 297,558</u> | <u>\$ 4,632,151</u> | <u>\$ -2,649,355</u> |

Explanation for the significant variations between final budget amounts and actual results follows:

- Total revenues recognized were more than the budget (\$0.8 million) primarily due to increased City's public other program revenues.
- Total expenditures incurred were less than the budget (\$3.5 million) due to decrease in general government spending and culture and recreation.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of April 30, 2024, totaled \$100.8 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, improvements, machinery and equipment, furniture and fixtures, infrastructure, vehicles, and other intangible assets. The City's investment in capital assets increased by \$8.9 million from the prior year due to current-year additions exceeding the depreciation expense for the year.

City of Mt. Vernon, Illinois
Management's Discussion and Analysis
April 30, 2024

Capital Assets, Net of Accumulated Depreciation/Amortization
April 30, 2024

| | Governmental Activities | Business-type Activities | Total |
|--------------------------------|----------------------------|-----------------------------|-----------------------|
| Land | \$ 4,176,681 | \$ — | \$ 4,176,681 |
| Construction-in-progress | 902,571 | — | 902,571 |
| Infrastructure | 38,498,213 | — | 38,498,213 |
| Buildings | 13,291,205 | 6,011,256 | 19,302,461 |
| Machinery and equipment | 2,745,528 | 2,320,570 | 5,066,098 |
| Furniture and fixtures | 233,425 | — | 233,425 |
| Vehicles | 3,520,768 | 12,224 | 3,532,992 |
| Right-to-use assets | 197,574 | — | 197,574 |
| Subscription asset | 16,000 | 18,617 | 34,617 |
| Water and sanitary sewer lines | — | 28,822,071 | 28,822,071 |
| | <u>\$ 63,581,965</u> | <u>\$ 37,184,738</u> | <u>\$ 100,766,703</u> |

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended April 30, 2024. This resulted in recognition of right-to-use subscription asset and liability.

Additional information on the City's capital assets can be found in Note 3 to the financial statements.

Long-term Debt and Other Noncurrent Obligations

The City's combined long-term obligations decreased by 7% during the fiscal year due to payments. The City issued \$2.9 million debt and paid \$4.4 million of the outstanding debt during the year. As of April 30, 2024, the City had outstanding long-term liabilities of \$86.7 million.

| | Governmental Activities | Business-type Activities | Total |
|--------------------------|----------------------------|-----------------------------|----------------------|
| General obligation bonds | \$ 31,441,352 | \$ 4,755,531 | \$ 36,196,883 |
| Net pension liability: | | | |
| IMRF | 330,620 | 98,757 | 429,377 |
| Police Pension | 18,617,908 | — | 18,617,908 |
| Firefighters' Pension | 16,601,507 | — | 16,601,507 |
| OPEB liability | 6,497,979 | 1,116,245 | 7,614,224 |
| Loans payable | 731,846 | 6,263,589 | 6,995,435 |
| Lease payable | 197,276 | — | 197,276 |
| Subscription liability | 22,609 | 26,307 | 48,916 |
| | <u>\$ 74,441,097</u> | <u>\$ 12,260,429</u> | <u>\$ 86,701,526</u> |

ECONOMIC FACTOR AND NEXT YEAR'S BUDGET

The City prepares a budget for all funds except for the Police and Firefighters' Pension Funds.

For fiscal year 2025, the total revenues for the City General Government budget amount to \$20.2 million, while expenses—including IMRF, FICA, Medicare, and police and fire pensions—total \$22.1 million. This budget plan utilizes \$2.1 million from the Fund Balance equity of \$11.5 million, which represents 6.6 months of the Operating Fund Balance. Of the total expenses, salaries and wages account for \$11.2 million, which is 9.67% increase from the prior year. This included a 4% pool increase for non-union employees. Union wages increased according to contractual agreements. The City hopes to maintain its employee count for fiscal year 2025. Pensions continue to be an expense that is a significant variable in the city's annual budget. The City's firefighters and police pension fund actuarial-required contributions are \$1.2 million and \$1.1 million, respectively. The City's estimated IMRF contributions are estimated at \$0.4 million (6.46% in employer contribution with the employee remaining consistent at 4.5%).

The Human Resources Department continues to actively manage the City's health benefit plan with the assistance of a third-party benefits consultant. Annual premiums are estimated to be \$2.4 million. The City maintained an average of 145 full-time employees in fiscal year 2024 which is higher than fiscal year 2023 with 137 average full-time employees. The City employed 86 summer employees mainly for the Aquatic Zoo.

Investments in capital infrastructure continue to be an area of focus and significant financial resources are allocated. In fiscal year 2025, the capital expenditures accounts for a total of \$60.7 million water, wastewater, roads, bridges, public facilities, Veterans Park Lake repair, 911 Broadway Street and technology enhancements. The City will transfer \$3.4 million from the General Fund for capital improvements.

The City Council is committed to maintaining a low property tax rate, which is the primary funding source for pensions. The 2024 levy year makes the calculated rate 1.115321 with total tax levy \$2.8 million. Retail sales tax collected in fiscal year 2024 totaled \$7.7 million, which is a 10% increase from budgeted amount of \$7.0 million. For fiscal year 2025, retail sales tax collection is budgeted to \$7.6 million. Home rule sales tax in fiscal year 2024 totaled \$14.6 million, which is a 10% increase from budgeted amount of \$13.2 million. The City continues to eye the upcoming closure of the interstate ramp on I57 Exit 95. This anticipated road closure by the State of Illinois potentially could lower the Sales Tax Revenue and the Home Rule Sales Tax that the City receives. The City is exploring additional ways to lessen the impact.

The City had an unplanned repair of the Veterans' Park Lake due to the dam failure and the lake that was drained. The City chose at that time to divert several projects to begin the process for dredging the lake and doing much needed maintenance and repair to the lake and the islands. The estimated costs of these repairs totaled \$2.3 million with large portion carrying over into the new fiscal year. 911 Broadway Street downtown park will be completed this fiscal year as well as South 44th Street Road Extension.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 1100 Main Street, Mount Vernon, Illinois 62864 or at (618) 242-6827.

BASIC FINANCIAL STATEMENTS

City of Mt. Vernon, Illinois
Statement of Net Position
April 30, 2024
Exhibit A

| | Primary Government | | |
|---------------------------------------------|----------------------------|-----------------------------|--------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 38,176,526 | \$ 8,143,026 | \$ 46,319,552 |
| Restricted cash and cash equivalents | 223,364 | 453,088 | 676,452 |
| Investments | 55,385 | - | 55,385 |
| Receivables | | | |
| Accounts, net | 1,413,206 | 1,137,862 | 2,551,068 |
| Property and replacement taxes | 2,671,206 | - | 2,671,206 |
| Notes | 12,755 | - | 12,755 |
| Other | 8,431 | - | 8,431 |
| Due from other governments | 4,866,829 | - | 4,866,829 |
| Due from other funds | 3,453 | - | 3,453 |
| Inventories | 1,380 | 164,119 | 165,499 |
| Prepaid expenses | 140 | 20,912 | 21,052 |
| Capital assets not depreciated | 5,079,252 | - | 5,079,252 |
| Capital assets depreciated, net | 58,502,713 | 37,184,738 | 95,687,451 |
| TOTAL ASSETS | 111,014,640 | 47,103,745 | 158,118,385 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred items - IMRF | 1,835,447 | 548,250 | 2,383,697 |
| Deferred items - Police Pension | 5,532,655 | - | 5,532,655 |
| Deferred items - Firefighters' Pension | 3,788,578 | - | 3,788,578 |
| Deferred items - OPEB | 2,055,170 | 353,043 | 2,408,213 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 13,211,850 | 901,293 | 14,113,143 |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | 2,320,174 | 1,172,953 | 3,493,127 |
| Unearned revenue | 396,163 | - | 396,163 |
| Other payables from restricted assets | 70,888 | 453,088 | 523,976 |
| Long-term liabilities | | | |
| Due within one year | 2,652,449 | 815,336 | 3,467,785 |
| Due in more than one year | 71,788,648 | 11,445,093 | 83,233,741 |
| TOTAL LIABILITIES | 77,228,322 | 13,886,470 | 91,114,792 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred items - IMRF | 194,414 | 58,071 | 252,485 |
| Deferred items - Police Pension | 3,874,122 | - | 3,874,122 |
| Deferred items - Firefighters' Pension | 3,052,200 | - | 3,052,200 |
| Deferred items - OPEB | 2,129,239 | 365,769 | 2,495,008 |
| Deferred property tax revenues | 3,098,777 | - | 3,098,777 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 12,348,752 | 423,840 | 12,772,592 |

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

City of Mt. Vernon, Illinois
Statement of Net Position
April 30, 2024
Exhibit A (Continued)

| | Primary Government | | |
|----------------------------------|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| NET POSITION | | | |
| Net investment in capital assets | \$ 31,188,882 | \$ 26,165,618 | \$ 57,354,500 |
| Restricted for: | | | |
| Public works | 1,177,789 | - | 1,177,789 |
| Public safety | 251,504 | - | 251,504 |
| Community development | 1,109,099 | - | 1,109,099 |
| Culture and recreation | 276,538 | - | 276,538 |
| Capital projects | 3,889,145 | - | 3,889,145 |
| Unrestricted | (3,243,541) | 7,529,110 | 4,285,569 |
| TOTAL NET POSITION | <u>\$ 34,649,416</u> | <u>\$ 33,694,728</u> | <u>\$ 68,344,144</u> |

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

City of Mt. Vernon, Illinois
Statement of Activities
For the Year Ended April 30, 2024
Exhibit B

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | Net Revenue (Expense) and Changes in Net Position | | |
|------------------------------------------|----------------------|----------------------|--------------------------|---------------------------------------------------|--------------------------|----------------------|
| | | Charges for Services | Grants and Contributions | Primary Government | | Total |
| | | | | Governmental Activities | Business-Type Activities | |
| Primary government | | | | | | |
| Governmental activities: | | | | | | |
| Current: | | | | | | |
| General government | \$ 15,571,078 | \$ 3,316,771 | \$ 674,967 | \$ (11,579,340) | \$ - | \$ (11,579,340) |
| Public safety | 9,621,409 | 423,221 | 20,611 | (9,177,577) | - | (9,177,577) |
| Public works | 2,107,489 | 76,806 | 3,740 | (2,026,943) | - | (2,026,943) |
| Culture and recreation | 722,769 | 2,541 | 149,381 | (570,847) | - | (570,847) |
| Community development | 1,070,136 | 37,882 | - | (1,032,254) | - | (1,032,254) |
| Debt service: | | | | | | |
| Interest on long-term debt | 828,771 | - | - | (828,771) | - | (828,771) |
| Capital outlay | 1,716,081 | - | - | (1,716,081) | - | (1,716,081) |
| Total governmental activities | 31,637,733 | 3,857,221 | 848,699 | (26,931,813) | - | (26,931,813) |
| Business-type activities: | | | | | | |
| Water Fund | 4,600,287 | 5,320,407 | - | - | 720,120 | 720,120 |
| Sewer Fund | 4,642,550 | 4,018,093 | 299,867 | - | (324,590) | (324,590) |
| Sanitation | 1,324,527 | 1,389,269 | 7,544 | - | 72,286 | 72,286 |
| Total business-type activities | 10,567,364 | 10,727,769 | 307,411 | - | 467,816 | 467,816 |
| Total primary government | \$ 42,205,097 | \$ 14,584,990 | \$ 1,156,110 | (26,931,813) | 467,816 | (26,463,997) |
| | | | | | | |
| General revenues (expenses): | | | | | | |
| Sales taxes | | | | 24,855,104 | - | 24,855,104 |
| Use taxes | | | | 553,778 | - | 553,778 |
| Motor fuel taxes | | | | 640,591 | - | 640,591 |
| Hotel/motel taxes | | | | 1,753,413 | - | 1,753,413 |
| Property taxes | | | | 2,663,832 | - | 2,663,832 |
| Franchise and utility taxes | | | | 109,716 | - | 109,716 |
| Public service taxes | | | | 3,980,743 | - | 3,980,743 |
| Licenses, fines, fees and permits | | | | 500,624 | - | 500,624 |
| Interest and investment income | | | | 2,191,500 | 172,522 | 2,364,022 |
| Loss on asset disposals/adjustments | | | | (202,054) | - | (202,054) |
| Miscellaneous and others | | | | 1,571,453 | 71,003 | 1,642,456 |
| Transfers in (out) | | | | (2,927,367) | 2,511,055 | (416,312) |
| Total general revenues (expenses) | | | | 35,691,333 | 2,754,580 | 38,445,913 |
| CHANGE IN NET POSITION | | | | 8,759,520 | 3,222,396 | 11,981,916 |
| NET POSITION - BEGINNING OF YEAR | | | | 25,889,896 | 30,472,332 | 56,362,228 |
| NET POSITION - END OF YEAR | | | | \$ 34,649,416 | \$ 33,694,728 | \$ 68,344,144 |

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

City of Mt. Vernon, Illinois
Governmental Funds
Balance Sheet
April 30, 2024
Exhibit C

| | General Fund | Quality of Life | Home Rule Tax | Nonmajor Governmental Funds | Eliminations | Total Governmental Funds |
|----------------------------------------------------------------------------|----------------------|---------------------|---------------------|-----------------------------|---------------------|--------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 17,001,365 | \$ 4,364,867 | \$ 4,547,827 | \$ 9,156,847 | \$ - | \$ 35,070,906 |
| Restricted cash and cash equivalents | 223,364 | - | - | - | - | 223,364 |
| Receivables | | | | | | |
| Accounts, net | 52,524 | - | 1,302,327 | 52,632 | - | 1,407,483 |
| Property and replacement taxes | 462,111 | - | - | 2,209,095 | - | 2,671,206 |
| Notes | 12,755 | - | - | - | - | 12,755 |
| Other receivables | 8,431 | - | - | - | - | 8,431 |
| Prepaid expenses | - | - | - | 140 | - | 140 |
| Due from other governments | 3,525,906 | 646,370 | - | 694,553 | - | 4,866,829 |
| Due from other funds | 253,453 | - | - | - | (250,000) | 3,453 |
| Inventories | - | - | - | 1,380 | - | 1,380 |
| TOTAL ASSETS | <u>\$ 21,539,909</u> | <u>\$ 5,011,237</u> | <u>\$ 5,850,154</u> | <u>\$ 12,114,647</u> | <u>\$ (250,000)</u> | <u>\$ 44,265,947</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable and accrued expenses | \$ 1,534,688 | \$ 225,736 | \$ 7,985 | \$ 274,708 | \$ - | \$ 2,043,117 |
| Due to other funds | - | - | - | 250,000 | (250,000) | - |
| Unearned revenue | 395,938 | - | - | 225 | - | 396,163 |
| Other payables from restricted assets | 70,888 | - | - | - | - | 70,888 |
| TOTAL LIABILITIES | <u>2,001,514</u> | <u>225,736</u> | <u>7,985</u> | <u>524,933</u> | <u>(250,000)</u> | <u>2,510,168</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue | <u>1,578,530</u> | <u>217,596</u> | <u>440,207</u> | <u>2,317,892</u> | <u>-</u> | <u>4,554,225</u> |
| FUND BALANCES | | | | | | |
| Nonspendable | - | - | - | 1,520 | - | 1,520 |
| Restricted for: | | | | | | |
| Public works | - | - | - | 1,177,789 | - | 1,177,789 |
| Public safety | 251,504 | - | - | - | - | 251,504 |
| Community development | - | - | - | 1,109,099 | - | 1,109,099 |
| Culture and recreation | 3,187 | - | - | 273,351 | - | 276,538 |
| Capital projects | - | - | - | 3,889,145 | - | 3,889,145 |
| Committed for: | | | | | | |
| Quality of life and economic development | - | 4,567,905 | - | - | - | 4,567,905 |
| Home rule tax | - | - | 5,401,962 | - | - | 5,401,962 |
| Pension sales tax | - | - | - | 2,820,918 | - | 2,820,918 |
| Unassigned | <u>17,705,174</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>17,705,174</u> |
| TOTAL FUND BALANCES | <u>17,959,865</u> | <u>4,567,905</u> | <u>5,401,962</u> | <u>9,271,822</u> | <u>-</u> | <u>37,201,554</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u>\$ 21,539,909</u> | <u>\$ 5,011,237</u> | <u>\$ 5,850,154</u> | <u>\$ 12,114,647</u> | <u>\$ (250,000)</u> | <u>\$ 44,265,947</u> |

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

City of Mt. Vernon, Illinois
Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
For the Year Ended April 30, 2024
Exhibit D

| | | |
|------------------------------------------|----|------------|
| Total fund balances - governmental funds | \$ | 37,201,554 |
|------------------------------------------|----|------------|

Amounts reported for governmental activities in the Statement of Net Position are different due to:

Capital assets and right-to-use leased and subscription assets used in governmental activities are not financial resources and, therefore, not reported in the funds.

| | | |
|--------------------------|---------------|------------|
| Capital assets, net | \$ 63,368,391 | |
| Right-to-use assets, net | 197,574 | |
| Subscription asset, net | <u>16,000</u> | 63,581,965 |

| | | |
|-------------------------------------------------------------------------------------------------------------|--|-----------|
| Receivables not available to pay for current period expenditures and, therefore, not reported in the funds. | | 1,455,448 |
|-------------------------------------------------------------------------------------------------------------|--|-----------|

Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:

| | | |
|----------------------------------------|-----------------|-----------|
| Deferred items - IMRF | 1,641,033 | |
| Deferred items - Police Pension | 1,658,533 | |
| Deferred items - Firefighters' Pension | 736,378 | |
| Deferred items - OPEB | <u>(74,069)</u> | 3,961,875 |

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

| | | |
|--------------------------------------------------------------|--------------------|--------------|
| Accrued interest payable | (258,546) | |
| General obligation bonds, including unamortized bond premium | (31,441,352) | |
| Lease payable | (197,276) | |
| Loans payable | (731,846) | |
| Subscription payable | (22,609) | |
| Net pension liability: | | |
| IMRF | (330,620) | |
| Police Pension | (18,617,908) | |
| Firefighters' Pension | (16,601,507) | |
| OPEB liability | <u>(6,497,979)</u> | (74,699,643) |

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

3,148,217

| | | |
|-----------------------------------------|----|--------------------------|
| Net position of governmental activities | \$ | <u><u>34,649,416</u></u> |
|-----------------------------------------|----|--------------------------|

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

City of Mt. Vernon, Illinois
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended April 30, 2024
Exhibit E

| | General Fund | Quality of Life | Home Rule Tax | Nonmajor Governmental Funds | Total Governmental Funds |
|--------------------------------------------------------------|---------------|-----------------|---------------|--------------------------------|-----------------------------|
| REVENUES | | | | | |
| Sales taxes | \$ 13,041,071 | \$ 2,646,249 | 5,292,498 | \$ 3,190,201 | \$ 24,170,019 |
| Use taxes | 553,778 | - | - | - | 553,778 |
| Motor fuel taxes | - | - | - | 640,591 | 640,591 |
| Hotel/motel taxes | 1,176,011 | - | - | 577,402 | 1,753,413 |
| Property taxes | 452,599 | - | - | 2,211,233 | 2,663,832 |
| Franchise and utility taxes | 109,716 | - | - | - | 109,716 |
| Public service taxes | 3,980,743 | - | - | - | 3,980,743 |
| Licenses, fines, fees and permits | 500,624 | - | - | - | 500,624 |
| Grants and contributions | 36,033 | 293,000 | - | 519,666 | 848,699 |
| Charges for services | 739,884 | - | - | 40,423 | 780,307 |
| Interest income | 948,364 | 422,565 | 277,362 | 352,464 | 2,000,755 |
| Miscellaneous | 130,352 | 1,313,931 | - | 822 | 1,445,105 |
| Total revenues | 21,669,175 | 4,675,745 | 5,569,860 | 7,532,802 | 39,447,582 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 5,452,864 | 398,202 | 852,569 | 155,574 | 6,859,209 |
| Public safety | 9,621,409 | - | - | - | 9,621,409 |
| Public works | 1,746,067 | - | - | 361,422 | 2,107,489 |
| Culture and recreation | - | - | - | 722,769 | 722,769 |
| Community development | - | - | - | 1,070,136 | 1,070,136 |
| Capital outlay | 45,429 | 6,453,617 | 494,661 | 3,161,044 | 10,154,751 |
| Debt service: | | | | | |
| Principal | 165,464 | 1,134,978 | 246,331 | 1,218,173 | 2,764,946 |
| Interest | 5,791 | 705,859 | 103,586 | 367,014 | 1,182,250 |
| Total expenditures | 17,037,024 | 8,692,656 | 1,697,147 | 7,056,132 | 34,482,959 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 4,632,151 | (4,016,911) | 3,872,713 | 476,670 | 4,964,623 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in (out) | (3,327,546) | - | (2,372,738) | 2,772,917 | (2,927,367) |
| Other financing source - lease | - | - | - | 80,919 | 80,919 |
| Other financing source - subscription | 45,429 | - | - | - | 45,429 |
| Total other financing sources (uses) | (3,282,117) | - | (2,372,738) | 2,853,836 | (2,801,019) |
| NET CHANGE IN FUND BALANCES | 1,350,034 | (4,016,911) | 1,499,975 | 3,330,506 | 2,163,604 |
| FUND BALANCE - BEGINNING OF YEAR | 16,609,831 | 8,584,816 | 3,901,987 | 5,941,316 | 35,037,950 |
| FUND BALANCE - END OF YEAR | \$ 17,959,865 | \$ 4,567,905 | \$ 5,401,962 | \$ 9,271,822 | \$ 37,201,554 |

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

City of Mt. Vernon, Illinois
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended April 30, 2024
Exhibit F

| | | |
|-----------------------------|----|-----------|
| Net change in fund balances | \$ | 2,163,604 |
|-----------------------------|----|-----------|

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

| | | | |
|-------------------------------|--------------------|--|-----------|
| Capital outlay | \$ 8,438,670 | | |
| Loss on assets disposal | (202,054) | | |
| Depreciation and amortization | <u>(4,140,740)</u> | | 4,095,876 |

Some receivables will not be collected for several months after fiscal year end, so they are not considered as "available" revenues in the governmental funds, and they are instead counted as deferred inflows of resources. They are however, recorded as revenues in the Statement of Activities.

| | | | |
|----------------------------------|------------------|--|---------|
| Prior year unavailable revenue | (770,363) | | |
| Current year unavailable revenue | <u>1,455,448</u> | | 685,085 |

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

| | | | |
|--------------------------------------------------|------------------|--|-------------|
| Change in deferred items - IMRF | (909,563) | | |
| Change in deferred items - Police Pension | (2,721,027) | | |
| Change in deferred items - Firefighters' Pension | (2,340,028) | | |
| Change in deferred items - OPEB | <u>(216,363)</u> | | (6,186,981) |

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

| | | | |
|------------------------------------------------------------------------------|----------------|--|-----------|
| Principal payments on general bonds, long-term debt, leases and subscription | 2,764,946 | | |
| Change in interest expense | 16,028 | | |
| Change in unamortized premium | <u>337,294</u> | | 3,118,268 |

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Changes in net pension liability:

| | | | |
|----------------------------|------------|--|-----------|
| IMRF | 1,365,949 | | |
| Police Pension | 1,448,346 | | |
| Firefighters' Pension | 1,571,226 | | |
| Change in OPEB liability | 470,081 | | |
| Change in interest payable | <u>158</u> | | 4,855,760 |

Internal service funds are used by management to charge the costs of information technology, fleet services, vehicle replacement, and self-insurance to individual funds. The net revenue of certain activities of internal service funds are reported with governmental activities.

27,908

| | | |
|---------------------------------------------------|----|-------------------------|
| Change in net position of governmental activities | \$ | <u><u>8,759,520</u></u> |
|---------------------------------------------------|----|-------------------------|

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

City of Mt. Vernon, Illinois
Proprietary Funds
Statement of Net Position
April 30, 2024
Exhibit G

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities Internal Service Fund |
|---------------------------------------|---------------------------------------------|--------------|------------|--------------|--------------------------------------------------------|
| | Water Fund | Sewer Fund | Sanitation | Total | |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 3,847,991 | \$ 4,116,996 | \$ 178,039 | \$ 8,143,026 | \$ 3,105,620 |
| Restricted cash and cash equivalents | 453,088 | - | - | 453,088 | - |
| Investments | - | - | - | - | 55,385 |
| Accounts receivable, net | 448,171 | 626,506 | 63,185 | 1,137,862 | 5,723 |
| Inventories | 164,119 | - | - | 164,119 | - |
| Prepaid expenses | 17,172 | 3,740 | - | 20,912 | - |
| Total current assets | 4,930,541 | 4,747,242 | 241,224 | 9,919,007 | 3,166,728 |
| Noncurrent assets: | | | | | |
| Capital assets depreciated, net | 14,533,038 | 22,651,700 | - | 37,184,738 | - |
| Total noncurrent assets | 14,533,038 | 22,651,700 | - | 37,184,738 | - |
| Total assets | 19,463,579 | 27,398,942 | 241,224 | 47,103,745 | 3,166,728 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred items - IMRF | 429,065 | 119,185 | - | 548,250 | - |
| Deferred items - OPEB | 290,670 | 62,373 | - | 353,043 | - |
| Total deferred outflows of resources | \$ 719,735 | \$ 181,558 | \$ - | \$ 901,293 | \$ - |

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

City of Mt. Vernon, Illinois
Proprietary Funds
Statement of Net Position
April 30, 2024
Exhibit G (Continued)

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities Internal Service Fund |
|--------------------------------------------|---------------------------------------------|----------------------|-------------------|----------------------|--------------------------------------------------------|
| | Water Fund | Sewer Fund | Sanitation | Total | |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and accrued expenses | \$ 493,092 | \$ 571,382 | \$ 108,479 | \$ 1,172,953 | \$ 18,511 |
| General obligation bonds payable - current | 451,957 | - | - | 451,957 | - |
| Loans payable - current | 110,398 | 226,674 | - | 337,072 | - |
| Subscription liability - current | 26,307 | - | - | 26,307 | - |
| Other payables from restricted assets | 453,088 | - | - | 453,088 | - |
| Total current liabilities | <u>1,534,842</u> | <u>798,056</u> | <u>108,479</u> | <u>2,441,377</u> | <u>18,511</u> |
| Noncurrent liabilities: | | | | | |
| General obligation bonds payable | 4,303,574 | - | - | 4,303,574 | - |
| Loans payable | 2,033,891 | 3,892,626 | - | 5,926,517 | - |
| Net pension liability - IMRF | 77,288 | 21,469 | - | 98,757 | - |
| OPEB liability | 919,037 | 197,208 | - | 1,116,245 | - |
| Total noncurrent liabilities | <u>7,333,790</u> | <u>4,111,303</u> | <u>-</u> | <u>11,445,093</u> | <u>-</u> |
| Total liabilities | <u>8,868,632</u> | <u>4,909,359</u> | <u>108,479</u> | <u>13,886,470</u> | <u>18,511</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows related to pensions | 45,447 | 12,624 | - | 58,071 | - |
| Deferred inflows related to OPEB | 301,148 | 64,621 | - | 365,769 | - |
| Total deferred inflows of resources | <u>346,595</u> | <u>77,245</u> | <u>-</u> | <u>423,840</u> | <u>-</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 7,633,218 | 18,532,400 | - | 26,165,618 | - |
| Unrestricted | <u>3,334,869</u> | <u>4,061,496</u> | <u>132,745</u> | <u>7,529,110</u> | <u>3,148,217</u> |
| Total net position | <u>\$ 10,968,087</u> | <u>\$ 22,593,896</u> | <u>\$ 132,745</u> | <u>\$ 33,694,728</u> | <u>\$ 3,148,217</u> |

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

City of Mt. Vernon, Illinois
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended April 30, 2024
Exhibit H

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities Internal Service Fund |
|-----------------------------------------|---------------------------------------------|---------------|--------------|---------------|--------------------------------------------------------|
| | Water Fund | Sewer Fund | Sanitation | Total | |
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 5,320,407 | \$ 4,018,093 | \$ 1,389,269 | \$ 10,727,769 | \$ 3,076,913 |
| Other operating revenue | 71,003 | - | - | 71,003 | - |
| Total operating revenue | 5,391,410 | 4,018,093 | 1,389,269 | 10,798,772 | 3,076,913 |
| OPERATING EXPENSES | | | | | |
| Purchased water | 2,305,447 | - | - | 2,305,447 | - |
| Operations | 910,745 | 1,821,405 | 1,300,204 | 4,032,354 | - |
| Disribution | 596,092 | 2,004,048 | - | 2,600,140 | - |
| Insurance | - | - | - | - | 467,548 |
| Insurance claims | - | - | - | - | 2,671,018 |
| Administrative and general | 210,272 | 179,337 | 24,323 | 413,932 | 101,184 |
| Depreciation and amortization | 577,731 | 637,760 | - | 1,215,491 | - |
| Total operating expenses | 4,600,287 | 4,642,550 | 1,324,527 | 10,567,364 | 3,239,750 |
| OPERATING INCOME (LOSS) | 791,123 | (624,457) | 64,742 | 231,408 | (162,837) |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Interest income | 194,438 | 215,428 | - | 409,866 | 190,745 |
| Capital contributions | - | 299,867 | 7,544 | 307,411 | - |
| Interest expenses | (201,848) | (35,496) | - | (237,344) | - |
| Transfers in | 1,702,968 | 808,087 | - | 2,511,055 | - |
| Total nonoperating revenues | 1,695,558 | 1,287,886 | 7,544 | 2,990,988 | 190,745 |
| CHANGE IN NET POSITION | 2,486,681 | 663,429 | 72,286 | 3,222,396 | 27,908 |
| NET POSITION - BEGINNING OF YEAR | 8,481,406 | 21,930,467 | 60,459 | 30,472,332 | 3,120,309 |
| NET POSITION - END OF YEAR | \$ 10,968,087 | \$ 22,593,896 | \$ 132,745 | \$ 33,694,728 | \$ 3,148,217 |

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

City of Mt. Vernon, Illinois
Proprietary Funds
Statement of Cash Flows
For the Year Ended April 30, 2024
Exhibit I

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities |
|----------------------------------------------------------------------------------|----------------------------------------------------|----------------------------|--------------------------|----------------------------|--------------------------------|
| | Water Fund | Sewer Fund | Sanitation | Total | Internal Service Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers and users | \$ 5,447,613 | \$ 4,064,449 | \$ 1,404,491 | \$ 10,916,553 | \$ 3,076,913 |
| Payments to suppliers for goods and services | (2,856,960) | (3,257,534) | (1,314,213) | (7,428,707) | (3,420,851) |
| Payments to employees and professional contractors for services | (1,049,323) | (330,587) | (5,000) | (1,384,910) | (4,999) |
| Net cash provided by (used in) operating activities | <u>1,541,330</u> | <u>476,328</u> | <u>85,278</u> | <u>2,102,936</u> | <u>(348,937)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers from other funds | 1,702,968 | 808,087 | - | 2,511,055 | - |
| Other nonoperating revenues | - | 299,867 | 7,544 | 307,411 | - |
| Net cash provided by noncapital financing activities | <u>1,702,968</u> | <u>1,107,954</u> | <u>7,544</u> | <u>2,818,466</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Net movement on capital assets | (1,143,266) | (3,296,667) | - | (4,439,933) | - |
| Interest received | 194,438 | 215,428 | - | 409,866 | 190,745 |
| Interest expenses paid | (201,848) | (35,496) | - | (237,344) | - |
| Net movement on subscription | 26,307 | - | - | 26,307 | - |
| Net movement on long-term liabilities | (1,146,180) | 2,638,453 | - | 1,492,273 | - |
| Net cash provided by (used in) capital and related financing activities | <u>(2,270,549)</u> | <u>(478,282)</u> | <u>-</u> | <u>(2,748,831)</u> | <u>190,745</u> |
| NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH AND CASH EQUIVALENTS | <u>973,749</u> | <u>1,106,000</u> | <u>92,822</u> | <u>2,172,571</u> | <u>(158,192)</u> |
| CASH AND RETRICTED CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | <u>3,327,330</u> | <u>3,010,996</u> | <u>85,217</u> | <u>6,423,543</u> | <u>3,263,812</u> |
| CASH AND RESTRICTED CASH AND CASH EQUIVALENTS - END OF YEAR | <u><u>\$ 4,301,079</u></u> | <u><u>\$ 4,116,996</u></u> | <u><u>\$ 178,039</u></u> | <u><u>\$ 8,596,114</u></u> | <u><u>\$ 3,105,620</u></u> |
| SUPPLEMENTAL SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Noncash changes in assets and liabilities related to subscriptions: | | | | | |
| Subscription asset | \$ 52,860 | \$ - | \$ - | \$ 52,860 | \$ - |
| Subscription liability | 52,860 | - | - | 52,860 | - |

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

City of Mt. Vernon, Illinois
Proprietary Funds
Statement of Cash Flows
For the Year Ended April 30, 2024
Exhibit I (Continued)

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------|------------------|---------------------|----------------------------|
| | Water Fund | Sewer Fund | Sanitation | Total | Internal Service Fund |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | |
| Operating income (loss) | \$ 791,123 | \$ (624,457) | \$ 64,742 | \$ 231,408 | \$ (162,837) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | | |
| Depreciation and amortization | 577,731 | 637,760 | - | 1,215,491 | - |
| (Increase) decrease in assets: | | | | | |
| (Increase) decrease in receivables | 56,203 | 46,356 | 15,222 | 117,781 | - |
| Decrease in inventories | 11,451 | - | - | 11,451 | - |
| Decrease in prepaid expenses | 4,283 | 6,891 | - | 11,174 | - |
| Increase (decrease) in liabilities: | | | | | |
| Increase (decrease) in accounts payable and accrued expenses | 229,247 | 446,384 | 5,314 | 680,945 | (186,100) |
| Increase in net pension and OPEB liability | (413,340) | (104,414) | - | (517,754) | - |
| Decrease in deferred pension charges | 284,632 | 67,808 | - | 352,440 | - |
| Net cash provided by (used in) operating activities | <u>\$ 1,541,330</u> | <u>\$ 476,328</u> | <u>\$ 85,278</u> | <u>\$ 2,102,936</u> | <u>\$ (348,937)</u> |

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

City of Mt. Vernon, Illinois
Fiduciary Funds
Statement of Fiduciary Net Position
April 30, 2024
Exhibit J

| | <u>Pension Trust Funds</u> |
|---------------------------------------------------------------------------------------|-----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 1,480,229 |
| Investments, at fair value: | |
| Investments held in the Illinois Police Officers' Pension Investment Fund (IPOPFI) | 21,276,825 |
| Investments held in the Illinois Firefighters' Pension Investment Fund (IFPFI) | 17,731,304 |
| Total investments | <u>39,008,129</u> |
| Receivables | |
| Accounts | 140 |
| Property and replacement taxes, net | 1,849,700 |
| Interest and dividends | 34,535 |
| Total receivables | <u>1,884,375</u> |
| Total assets | <u>42,372,733</u> |
| LIABILITIES | |
| Accounts payable and accrued expenses | 297,069 |
| Due to other funds | 3,453 |
| Total liabilities | <u>300,522</u> |
| NET POSITION | |
| Restricted for pension benefits | <u><u>\$ 42,072,211</u></u> |

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

City of Mt. Vernon, Illinois
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended April 30, 2024
Exhibit K

| | <u>Pension Trust Funds</u> |
|-----------------------------------------------|-----------------------------|
| ADDITIONS | |
| Contributions | |
| Employer, property taxes | \$ 1,446,904 |
| Employer, transfers from other funds | 416,312 |
| Employees | 476,463 |
| Total contributions | <u>2,339,679</u> |
| Investment income | |
| Net appreciation in fair value of investments | 2,814,700 |
| Interest and dividends | 543,540 |
| Gain on sale of investments | 364,741 |
| Total investment income | <u>3,722,981</u> |
| Investment expense | <u>(28,942)</u> |
| Net investment income | <u>3,694,039</u> |
| Total additions | <u>6,033,718</u> |
| DEDUCTIONS | |
| Pensions paid to plan participants | 3,502,123 |
| Refunds of contributions | 35,797 |
| Administrative expenses | 26,787 |
| Total deductions | <u>3,564,707</u> |
| CHANGE IN FIDUCIARY NET POSITION | <u>2,469,011</u> |
| NET POSITION - BEGINNING OF YEAR | <u>39,603,200</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 42,072,211</u></u> |

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mt. Vernon, Illinois (City), was founded in 1819, and has a population of 14,300. 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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 (IMRF) 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 IMRF system and those that have the choice of participating. IMRF 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 was created on October 13, 2004, by the members of the City's 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.

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, 2025, as well as

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Organization - The Jefferson County Emergency Telephone System Board (Board) 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 Board was established during the year ended April 30, 1991 by the City and Jefferson County Board which entered into an Intergovernmental Agreement pursuant to the Emergency Telephone System Act. 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 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 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, 2024.

C. Basis of Presentation

Government-wide Financial Statement

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity, other than interfund sales and services, has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position includes all of the governmental assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) fines, fees, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirement of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The statement of activities presents the City's nonfiduciary net position. Net position is reported in the following categories/components:

Net investment in capital assets - Consists of capital assets and right-to-use leased assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted net position - The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund - 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.

Quality of Life - This 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additional governmental fund types, which are combined as nonmajor funds, are as follows:

Nonmajor Special Revenue Funds - Account for the proceeds of specific revenue sources that are legally restricted or otherwise committed by the City to expenditures for specific purposes:

Convention and Visitors' Bureau - This fund accounts for promoting conventions and tourism in the City and surrounding areas.

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

Industrial Park Construction TIF - This fund accounts for the City's activities related to TIF funds received from the industrial park construction district.

Pension Sales Tax - This fund accounts for the City's revenue collected from the ¼% Home Rule sales tax initiated on July 1, 2020 and related revenue to subsidize the property tax levies for the City's four pensions.

General Corporate Capital - This 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 - This fund accounts for State motor fuel tax allotments.

Downtown TIF - This fund accounts for the City's activities related to TIF funds received from the Downtown district.

The City reports the following proprietary funds:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Water Fund - This 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 - This fund accounts for the operations and maintenance of providing sanitary sewerage utility services to the residents of the City.

Sanitation - This fund accounts for collecting and disposing of refuse.

Internal Service Fund - This fund accounts for financing of services provided by one department or agency to other departments or agencies of the governmental unit, or other governmental units, on a cost-reimbursement basis. The City's internal service fund accounts for the risk management function of the City's health care claims paid under the self-insurance program. These costs are allocated to the related 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. The City reports the following fiduciary funds.

Pension Trust Funds - These funds account for the accumulation of retirement and disability benefits for police and firefighters' pension plans.

D. Measurement Focus and Basis of Accounting

Government-wide, proprietary, and fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City receives value without directly giving equal value in exchange, include property tax revenue, grants, and other contributions. On an accrual basis, revenues from property taxes are recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. Revenue from grants and other

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues, except for property taxes, to be available if they are collected within 90 days of the end of the current fiscal period. Revenues for property taxes are considered to be available if they are collected within 60 days of the end of the current fiscal year for the year intended to finance. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments are recorded only when payment is due. Compensated absences are recorded only when retirement or separation has occurred. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales tax, motor fuel taxes, hotel/motel tax, franchise taxes, other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports unavailable/unearned and deferred revenue on its financial statements. Unavailable/unearned and deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unavailable/unearned and deferred revenues also arise when the resources are received by the City before it has a legal claim to them or prior to the provision of services as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflows of resources is removed from the financial statements and revenue is recognized.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures/expenses incurred. In the other, monies are virtually unrestricted as to purpose of expenditures/expenses and are generally revocable only for failure to comply with prescribed eligibility requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the eligibility criterion.

E. 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. 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:

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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.
- 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.

F. 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 GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, a statement of cash flows has not been presented for the pension trust funds.

G. Investments

State statutes and the City's investment policy authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; state and local obligations rated within the two highest classifications established by Moody's, Standard & Poor's and Fitch; commercial paper rated AAA 1,

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2, or 3; repurchase agreements; non-negotiable certificates of deposits; money market accounts; investment grade corporate bonds defined as any bond rated BBB or better by Standard & Poor's; and pooled investment funds.

The City's investment policy also requires collateral for all deposits unless the Federal Deposit Insurance Corporation (FDIC) coverage is available. The collateral must have a market value of not less than 100% of all deposits.

Investments are generally reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Short-term investments are reported at cost, which approximates fair value. For investments, the City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs valued using quoted matrix pricing models; Level 3 inputs are significant unobservable inputs.

H. Receivables

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 Funds and Proprietary Funds are \$0 and \$109,000, respectively.

I. 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.

J. Prepaid Expenses

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Internal Activities

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.

Amounts which are due within one year, owed to one fund by another are reported as due to or due from other funds.

L. 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 at cost.

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:

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Upon implementation of GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, 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.

M. Restricted Assets

These are assets which are restricted in use by legal or contractual requirements.

N. Bond Premiums, Discounts, and Issuance Costs

In the government-wide and proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs are expended in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums, and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and other postemployment benefit (OPEB) expenses and contributions from the employer after the measurement date but before the end of the employer’s reporting period.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources are reported in the governmental fund financial statements as unavailable revenue and represent the amount of assets that have been recognized but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of local property taxes, franchise taxes, sales taxes, home-rule taxes, local motor fuel taxes, and other taxes received more than 60 days after the end of the year, which are not available under modified accrual basis of accounting. Deferred inflows of resources in the Statement of Net Position consist of the unamortized portion of components of the net pension liability and the OPEB liabilities that will reduce pension and OPEB expenses in future years.

P. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classification are as follows:

Non-spendable 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 authority.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

Q. 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 GAAP:

- Sales, Hotel, and Other Tax Revenue - The City administers the collection of occupancy tax on hotels and motels, franchise taxes, and licenses and permits. The Illinois Municipal League (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 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.
- 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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

disclosed in Note 1. 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.

- 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 for the purchase, construction, or renovation of 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.

- 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.

R. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as gains/losses on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. 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.

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 at the end of the calendar year are forfeited. If the employee is terminated before the end of the calendar year, any vacation earned and unused from beginning of the calendar year up to employee's termination date are paid.

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.

T. Leases and Subscription-Based Information Technology (IT) Arrangements

Right-to-use leased assets

The City has recorded right-to-use leased assets as a result of implementing GASB Statement No. 87, *Leases*. The right to use assets amounting to \$5,000 or more are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use leased assets are amortized on a straight-line basis over the life of the related lease.

Short-term leases

The City recognizes short-term lease payments as outflows of resources based on the payment provisions of the lease contract. The City recognizes an asset if payments are made in advance or a liability for rent due if payments are to be made subsequent to the reporting period.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Right-to-use subscription asset

The City has recorded right-to-use subscription asset as a result of implementing GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The right-to-use subscription assets amounting to \$5,000 or more are initially measured at an amount equal to the initial measurement of the related subscription liability plus any payments made to SBITA vendor prior to the commencement of subscription term, plus capitalizable implementation cost, and less any incentives received from the SBITA vendor. The right-to-use subscription assets are amortized on a straight-line basis over the subscription term.

U. Pensions

For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and the City's Police and Firefighters' Pension Funds and additions to/deductions from IMRF's and Police and Firefighters' Pension Funds' fiduciary net position have been determined on the same basis as they are reported by IMRF and the City's Police and Firefighters' Pension Funds. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

V. Other Post Employment Benefits (OPEB)

In addition to providing pension benefits, 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. The actuarially determined Net OPEB obligation is 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

W. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

X. New Accounting Pronouncements

In 2024, the City implemented GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 94, *Public-Private and Public Partnerships and Available Payment Arrangements*, GASB statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, and portion of GASB Statement No. 99, Omnibus 2022. GASB Statement No. 96 provide guidance on the accounting and financial reporting for SBITAs for government. As a result of implementing GASB Statement No. 96, the City, recorded right-to-use subscription asset and liability for software subscriptions that qualifies under the new guidance. The implementation of GASB Statement Nos. 91, 94, and portion of 99 do not have significant impact to the City's financial statements.

NOTE 2 DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed in the basic financial statements as "cash and cash equivalents."

Deposits with Financial Institutions

At April 30, 2024, the carrying amount of the City's deposits (including deposits under Fiduciary Fund of \$1,480,229) was \$47,799,781 This amount consisted of cash deposited with the financial institutions. The total bank balance as of April 30, 2024 was \$48,043,773.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in 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 FDIC. 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.

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

The Police Pension Fund and Firefighters' Pension Fund retain all of their available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the fund. The excess of available cash is required to be transferred to Illinois Police Officers' Pension Investment Fund (IPOPIF) or Illinois Firefighters' Pension Investment Fund (IFPIF) for purposes of the long-term investment for the fund.

Pension Investment Funds

The IPOPIF is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/ 22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

The IFPIF is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

Investments

At April 30, 2024, the City had the following investment:

| Investment type | Fair Value | Average Credit Rating | Weighted Average Maturity (Years) |
|--------------------------------------------------|------------------|--------------------------|-----------------------------------------|
| Investment pool - Contrarian Capital Holdings | <u>\$ 55,385</u> | N/A | N/A |

Investments of the Police Pension Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org.

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

IPOPIF's investment policy was originally adopted by the City in September 2022. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to the Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women, and persons with disabilities.

Investments of the Firefighters' Pension Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org. IFPIF's current investment policy was adopted by the City in April 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes. The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

Interest Rate Risk - Interest rate risk is the risk that change 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.

Credit Risk - The City's investment and cash management policy prescribes to the "prudent person" rule, which states "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The City limits their exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. The investment policy also allows investment grade corporate bonds rated at or above BBB- by Standard & Poor's, Baa3 by Moody's; and BBB- by Fitch by at least two of the three rating agencies. However, the City's investment policy does not specifically limit the City to these types of investments.

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk - The City's investment policy follows the requirements of the State of Illinois Public Funds Investment Act, which prescribes allowable investment vehicles. No single investment, except those guaranteed by the United States Government, may exceed 5% of the fund's total market value.

Fair Value Measurement - The Police Pension Fund and Firefighters' Pension Fund categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Police Pension Fund and Firefighters' Pension Fund held no investments subject to fair value measurement at April 30, 2024.

Net Asset Value - The Net Asset Value (NAV) of the Police Pension Fund's pooled investment in IPOPIF was \$21,276,825 at April 30, 2024. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2024. The fund may redeem shares with a seven-calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF. The NAV of the Firefighters' Pension Fund's pooled investment in IFPIF was \$17,731,304 at April 30, 2024. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2024. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

Investment Rate of Return - For the year ended April 30, 2024, the annual money-weighted rate of return on Police Pension Fund investments and Firefighters' Pension Fund investments, net of pension plan investment expense, was 7.31% and 8.22% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Restricted Assets

Restricted cash as of April 30, 2024, comprise of the following:

| | |
|------------------------------|-------------------|
| Governmental activities: | |
| Electrical licenses | \$ 15,060 |
| D.U.I. fines | 32,905 |
| Police D.A.R.E. donations | 447 |
| Federal drug forfeitures | 29,351 |
| Park - tree donations | 691 |
| Park - bench donations | 2,496 |
| State/Local drug forfeitures | 40,917 |
| Unclaimed evidence | 64,760 |
| Anti-crime FNS | 31,561 |
| Abandoned money | 5,176 |
| Business-type activities: | |
| Customer deposits | 453,088 |
| Total | <u>\$ 676,452</u> |

Liabilities payable from the restricted assets under governmental activities totaled \$70,888 and the fund balance restricted in the general corporate fund due to the asset restrictions totaled \$223,364 as of April 30, 2024.

Liabilities payable from restricted assets totaled \$453,088 in the enterprise fund.

NOTE 3 CAPITAL ASSETS

A summary of changes in capital assets of the City for the year ended April 30, 2024 is as follows:

| | Balance April 30, 2023 | Additions | Disposals/ Adjustments | Balance April 30, 2024 |
|---------------------------------|---------------------------|------------------|---------------------------|---------------------------|
| Governmental activities: | | | | |
| Non-depreciable assets: | | | | |
| Land | \$ 4,166,681 | \$ 12,000 | \$ (2,000) | \$ 4,176,681 |
| Construction in progress | — | — | 902,571 | 902,571 |
| Total | <u>4,166,681</u> | <u>12,000</u> | <u>900,571</u> | <u>5,079,252</u> |
| Depreciable assets: | | | | |
| Infrastructure | 66,022,763 | 2,427,821 | (341,791) | 68,108,793 |
| Buildings | 12,444,189 | 3,403,105 | — | 15,847,294 |
| Machinery and equipment | 3,800,382 | 1,163,455 | 13,001 | 4,976,838 |
| Furniture and fixtures | 108,301 | 247,480 | — | 355,781 |
| Vehicles | 9,610,446 | 1,184,809 | (797,139) | 9,998,116 |
| Right-to-use assets | 537,489 | 80,919 | (257,724) | 360,684 |
| Subscription asset | — | 45,429 | — | 45,429 |
| Total | <u>96,690,251</u> | <u>8,565,018</u> | <u>(483,082)</u> | <u>104,772,187</u> |

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 3 CAPITAL ASSETS (Continued)

| | Balance April 30, 2023 | Additions | Disposals/ Adjustments | Balance April 30, 2024 |
|---------------------------------------------|---------------------------|---------------------|---------------------------|---------------------------|
| Less: accumulated depreciation/amortization | | | | |
| Infrastructure | \$ 26,997,370 | \$ 2,616,458 | \$ (3,248) | \$ 29,610,580 |
| Buildings | 2,440,986 | 115,103 | — | 2,556,089 |
| Machinery and equipment | 1,884,115 | 347,195 | — | 2,231,310 |
| Furniture and fixtures | 85,577 | 36,779 | — | 122,356 |
| Vehicles | 5,671,616 | 825,788 | (20,056) | 6,477,348 |
| Right-to-use assets | 250,846 | 169,988 | (257,724) | 163,110 |
| Subscription asset | — | 29,429 | — | 29,429 |
| Total | <u>37,330,510</u> | <u>4,140,740</u> | <u>(281,028)</u> | <u>41,190,222</u> |
| Capital assets, net | <u>\$ 59,359,741</u> | <u>\$ 4,424,278</u> | <u>\$ (202,054)</u> | <u>\$ 63,581,965</u> |
| Business-type activities: | | | | |
| Non-depreciable assets: | | | | |
| Construction in progress | \$ 2,392,798 | \$ — | \$ (2,392,798) | \$ — |
| Depreciable assets: | | | | |
| Buildings and structures | 6,792,598 | — | — | 6,792,598 |
| Equipment | 505,439 | 138,657 | 2,042,488 | 2,686,584 |
| Vehicles | 101,701 | — | — | 101,701 |
| Water and sanitary sewer lines | 42,843,002 | 4,248,416 | 350,310 | 47,441,728 |
| Subscription asset | — | 52,860 | — | 52,860 |
| Total | <u>52,635,538</u> | <u>4,439,933</u> | <u>—</u> | <u>57,075,471</u> |
| Less: accumulated depreciation/amortization | | | | |
| Buildings and structures | 732,554 | 48,788 | — | 781,342 |
| Equipment | 274,991 | 91,024 | — | 366,015 |
| Vehicles | 86,070 | 3,407 | — | 89,477 |
| Water and sanitary sewer lines | 17,581,627 | 1,038,029 | — | 18,619,656 |
| Subscription asset | — | 34,243 | — | 34,243 |
| Total | <u>18,675,242</u> | <u>1,215,491</u> | <u>—</u> | <u>19,890,733</u> |
| Capital assets, net | <u>\$ 33,960,296</u> | <u>\$ 3,224,442</u> | <u>\$ —</u> | <u>\$ 37,184,738</u> |

Depreciation expense is charged to functions as follows:

| | |
|---------------------------------|---------------------|
| Governmental activities: | |
| Public works | \$ 243,569 |
| General government | 3,697,754 |
| Total | <u>\$ 3,941,323</u> |
| Business-type activities | |
| Water Fund | \$ 543,488 |
| Sewer Fund | 637,760 |
| Total | <u>\$ 1,181,248</u> |

Right-to-use and subscription assets' amortization expense is charged to functions as follows:

| | |
|----------------------------------|------------------|
| Governmental activities: | |
| General government | \$ 199,417 |
| Business-type activities: | |
| Water fund | <u>\$ 34,243</u> |

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 4 INTERFUND ACTIVITIES

Due From (To) Other Funds

Interfund due to/from other fund balances at April 30, 2024 consist of the following individual due from/to other funds in the governmental funds and fiduciary funds balance sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Position.

| | <u>Due From</u> | <u>Due To</u> |
|------------------------------|-------------------|-------------------|
| Governmental Funds: | | |
| General Fund | \$ 253,453 | \$ — |
| Nonmajor Governmental Funds: | | |
| Downtown TIF | — | 250,000 |
| Fiduciary Funds: | | |
| Police Pension | — | 2,084 |
| Firefighters' Pension | — | 1,369 |
| Total | <u>\$ 253,453</u> | <u>\$ 253,453</u> |

Transfers In (Out)

Transfers are generally made to provide supplemental funding or move resources from the fund required to collect the resources to the fund required to expend the resources. As of April 30, 2024, interfund transfers consist of the following:

| | <u>Transfer In</u> | <u>Transfer Out</u> |
|---------------------------------|---------------------|---------------------|
| Governmental Funds: | | |
| General Fund | \$ — | \$ 3,327,546 |
| Home Rule Sales Tax | — | 2,372,738 |
| Nonmajor Governmental Funds: | | |
| Convention and Visitors' Bureau | 26,126 | — |
| Pension Sales Tax | — | 1,253,209 |
| General Corporate Capital | 4,000,000 | — |
| Proprietary Funds: | | |
| Water Fund | 1,702,968 | — |
| Sewer Fund | 808,087 | — |
| Fiduciary Fund: | | |
| Police Pension | 416,312 | — |
| Total | <u>\$ 6,953,493</u> | <u>\$ 6,953,493</u> |

NOTE 5 RETIREMENT COMMITMENTS

The oversight unit of the City maintains two pension trust funds and participates in the Illinois Municipal Retirement Fund (IMRF). The City contributes to the IMRF, the Police Pension Fund, and the Firefighters' Pension Fund.

Illinois Municipal Retirement Fund

Plan Description

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 City's plan is managed by IMRF, the administrator of an agent multiple employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full

NOTE 5
RETIREMENT COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2023, the following employees were covered by the benefit terms:

| | IMRF |
|-----------------------------------------------------------------|------|
| Retirees and beneficiaries currently receiving benefits | 131 |
| Inactive plan member entitled to but not yet receiving benefits | 55 |
| Active plan members | 75 |
| Total | 261 |

Contributions

As set by statute, the City’s regular plan members are required to contribute 4.5% 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 City’s annual contribution rate for calendar year 2023 was 4.88%. For the year ended April 30, 2024, the City contributed \$237,374 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Net Pension Liability

The City's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2023:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
- For **non-disabled retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021 were used.
- 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-2021.
- 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-2021.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2023:

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

| <u>Asset Class</u> | <u>Portfolio Target Percentage</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|----------------------------------------|---------------------------------------------------|
| Domestic equity | 34.5% | 5.00% |
| International equity | 18.0% | 6.35% |
| Fixed income | 24.5% | 4.75% |
| Real estate | 10.5% | 6.30% |
| Alternatives | 11.5% | |
| Private equity | | 8.65% |
| Hedge funds | | N/A |
| Commodities | | 6.05% |
| Cash equivalents | 1.0% | 3.80% |
| Total | <u>100%</u> | |

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flows used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plus investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

1. the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.77%, and the resulting single discount rate is 7.25%.

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) – (B) |
|--------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances as of December 31, 2022 | \$ 33,900,287 | \$ 31,667,959 | \$ 2,232,328 |
| Changes for the year: | | | |
| Service cost | 392,737 | – | 392,737 |
| Interest on the total pension liability | 2,396,611 | – | 2,396,611 |
| Differences between expected and actual experience of the total pension liability | 681,280 | – | 681,280 |
| Changes of assumptions | (43,107) | – | (43,107) |
| Contributions - employer | – | 214,540 | (214,540) |
| Contributions - employees | – | 321,587 | (321,587) |
| Net investment income | – | 4,719,317 | (4,719,317) |
| Benefit payment, including refunds of employee contributions | (2,549,143) | (2,549,143) | – |
| Other (net transfer) | – | (24,972) | 24,972 |
| Net changes | 878,378 | 2,681,329 | (1,802,951) |
| Balances as of December 31, 2023 | <u>\$ 34,778,665</u> | <u>\$ 34,349,288</u> | <u>\$ 429,377</u> |

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

| | 1% Lower 6.25% | Current Discount 7.25% | 1% Higher 8.25% |
|----------------------------------|-------------------|------------------------------|--------------------|
| Net Pension Liability (Asset) | \$ 4,326,709 | \$ 429,377 | \$(2,233,658) |

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2024, the City recognized pension expense of \$340,743. At April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

| Deferred Amounts Related to Pensions | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| <i>Deferred amounts to be recognized in pension expense in future periods</i> | | |
| Differences between expected and actual experience | \$ 451,785 | \$ 223,900 |
| Changes in assumptions | — | 28,585 |
| Net difference between projected and actual earnings on pension plan investments | 1,845,270 | — |
| Total deferred amounts to be recognized in pension expense in future periods | 2,297,055 | 252,485 |
| Pension contributions made subsequent to the measurement date | 86,642 | — |
| Total deferred amounts related to pension | <u>\$ 2,383,697</u> | <u>\$ 252,485</u> |

\$86,642 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending April 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| Years Ending December 31 | Net Deferred Outflows (Inflows) of Resources |
|-----------------------------|-------------------------------------------------|
| 2024 | \$ 175,805 |
| 2025 | 908,323 |
| 2026 | 1,458,559 |
| 2027 | (498,117) |
| Thereafter | — |
| Total | <u>\$ 2,044,570</u> |

Police Pension Plan

Plan Administration

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (ILCS) (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Police Pension Plan as a pension trust fund.

NOTE 5 RETIREMENT COMMITMENTS (Continued)

The Police Pension Plan is governed by a five-member pension board which are appointed by the Mayor or elected by pension fund members.

Plan Membership

At April 30, 2024, the measurement date, membership consisted of the following:

| | <u>Police Pension</u> |
|---------------------------------------------------------------------|-----------------------|
| Inactive plan members or beneficiaries currently receiving benefits | 40 |
| Inactive plan members entitled to but not yet receiving benefits | 9 |
| Active plan members | <u>38</u> |
| Total number of members | <u><u>87</u></u> |

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to 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 annual benefit 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 eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit 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% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive a monthly retirement benefit equal to the final average salary. The final average salary is 2.5% for each year of service multiplied by the greater of: the average monthly salary obtained by dividing 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of services in which the total salary was the highest by the number of months of service in that period. The maximum benefit

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Police Pension Plan (Continued)

shall be 75% of the final average salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually, on January 1 after attainment of age 60, or after the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3% or the change in the Consumer Price Index for the proceeding 12 months ended in September. Police officers' salary for pension purposes was capped at \$106,800 in 2011, increased by the lesser of the annual change in the Consumer Price Index or 3% compounded.

Contributions

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 2040, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded. For the year ended April 30, 2024, the City's contribution was 32.9% of the covered payroll.

Investments

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

| Asset Class | Long-term Expected Rate of Return | Long-term Inflation Expectation | Long-term Expected Real Rate of Return | Target Allocation |
|----------------------------------|-----------------------------------------|---------------------------------------|----------------------------------------------|----------------------|
| U.S. large | 6.65% | 2.50% | 4.15% | 23.00% |
| U.S. small | 7.04% | 2.50% | 4.54% | 5.00% |
| International developed | 7.14% | 2.50% | 4.64% | 18.00% |
| International developed small | 2.25% | 2.50% | -0.25% | 5.00% |
| Emerging markets | 7.81% | 2.50% | 5.31% | 7.00% |
| Private equity (direct) | 9.65% | 2.50% | 7.15% | 7.00% |
| Bank loans | 4.98% | 2.50% | 2.48% | 3.00% |
| High yield corp. credit | 4.98% | 2.50% | 2.48% | 3.00% |
| Emerging market debt | 5.32% | 2.50% | 2.82% | 3.00% |
| Private credit | 6.87% | 2.50% | 4.37% | 5.00% |
| U.S. tips | 2.38% | 2.50% | -0.12% | 3.00% |

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Police Pension Plan (Continued)

| <u>Asset Class</u> | <u>Long-term Expected Rate of Return</u> | <u>Long-term Inflation Expectation</u> | <u>Long-term Expected Real Rate of Return</u> | <u>Target Allocation</u> |
|----------------------------|--------------------------------------------------|------------------------------------------------|-------------------------------------------------------|------------------------------|
| Real estate/Infrastructure | 6.50% | 2.50% | 4.00% | 8.00% |
| Cash | 2.23% | 2.50% | -0.27% | 1.00% |
| Short-term gov't/credit | 3.23% | 2.50% | 0.73% | 3.00% |
| U.S. treasury | 1.90% | 2.50% | -0.60% | 3.00% |
| Core plus fixed income | 3.23% | 2.50% | 0.73% | 3.00% |

ILCS limit the Police Pension 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 Police Pension 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, 2024, 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.

Rate of Return

For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.31%. 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.

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of April 30, 2024 using the following actuarial methods and assumptions:

| | |
|----------------------------------------------------|-----------------------|
| Actuarial cost method | Projected unit credit |
| Asset valuation method | Fair Value |
| Amortization | Level % pay |
| Actuarial assumptions: | |
| Discount rate used for the total pension liability | 6.00% |
| Expected rate of return on investments | 6.75% |
| High-quality 20 year tax-exempt G.O. bond rate | 4.07% |
| Projected individual pay increases | 2.50% -18.50% |
| Projected total payroll increase | 3.25% |
| Consumer price index (urban) | 2.25% |
| Inflation rate | 2.25% |

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. 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.

Discount Rate

The discount rate used to measure the total pension liability was 6.00%. 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 Police Pension Fund's fiduciary net position was projected to be available to

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Police Pension Plan (Continued)

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 4.07% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2024a, to arrive at a discount rate of 6.00% 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 6.00% 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 5.00% or 1 percentage point higher 7.00% than the current rate:

| | 1% Decrease 5.00% | Current Discount Rate 6.00% | 1% Increase 7.00% |
|-----------------------|----------------------|-----------------------------------|----------------------|
| Net pension liability | \$ 24,562,506 | \$ 18,617,908 | \$ 13,793,210 |

The sensitivity of the net pension liability to the discount rate is based primarily on two factors:

1. The duration of the Police Pension Plan’s projected benefit payments. younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The percent funded of the Police Pension Plan (ratio of the Plan Fiduciary Net Position to the Total Pension Liability). The higher the percent funded, the higher the sensitivity to the discount rate.

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) – (B) |
|--------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances as of April 30, 2023 | \$ 41,394,657 | \$ 21,328,403 | \$ 20,066,254 |
| Changes for the year: | | | |
| Service cost | 750,848 | – | 750,848 |
| Interest on the total pension liability | 2,312,902 | – | 2,312,902 |
| Differences between expected and actual experience of the total pension liability | 751,710 | – | 751,710 |
| Changes in assumptions | (2,168,607) | – | (2,168,607) |
| Contributions - employer | – | 901,737 | (901,737) |
| Contributions - employees | – | 271,708 | (271,708) |
| Net investment income | – | 1,940,352 | (1,940,352) |
| Benefit payment, including refunds of employee contributions | (1,960,256) | (1,960,256) | – |
| Other (net transfer) | – | (18,598) | 18,598 |
| Net changes | (313,403) | 1,134,943 | (1,448,346) |
| Balances as of April 30, 2024 | <u>\$ 41,081,254</u> | <u>\$ 22,463,346</u> | <u>\$ 18,617,908</u> |

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2024, the City recognized pension expense for police pension of \$2,174,418. As of April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Deferred Amounts Related to Pension | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| <i>Deferred amounts to be recognized in pension expense in future periods</i> | | |
| Differences between expected and actual experience | \$ 703,452 | \$ 838,523 |
| Assumption changes | 3,819,370 | 3,035,599 |
| Net difference between projected and actual earnings on pension plan investments | 1,009,833 | – |
| Total | <u>\$ 5,532,655</u> | <u>\$ 3,874,122</u> |

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Police Pension Plan (Continued)

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

| <u>Years Ending April 30,</u> | <u>Net Deferred Outflows (Inflows) of Resources</u> |
|-------------------------------|---------------------------------------------------------|
| 2025 | \$ 322,738 |
| 2026 | 1,110,523 |
| 2027 | 392,970 |
| 2028 | 107,808 |
| 2029 | (164,503) |
| Thereafter | (111,003) |
| Total | <u>\$ 1,658,533</u> |

Firefighters' Pension Plan

Plan Description

The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by 40 ILCS 5/4-1 and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Fund as a pension trust fund. The Firefighters' Pension Fund is governed by governed by a five-member pension board which are appointed by the Mayor or elected by pension fund members.

Plan Membership

At April 30, 2024, the measurement date, membership consisted of the following:

| | <u>Firefighters' Pension</u> |
|------------------------------------------------------------------------|----------------------------------|
| Inactive plan members or beneficiaries currently receiving benefits | 36 |
| Inactive plan members entitled to but not yet receiving benefits | 3 |
| Active plan members | 28 |
| Total number of members | <u>67</u> |

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit 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 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee 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% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive a monthly retirement benefit equal to 2.5% for each year of service multiplied by of the final average salary. The final average salary is the greater of: the average monthly salary obtained by dividing 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of services in which the total salary was the highest by the number of months of service in that period. The maximum monthly benefit shall be 75% of the final average. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). Firefighters' annual salary for pension purposes was capped at \$106,800 in 2011. The monthly benefit of a Tier 2 firefighter shall be increased annually, on January 1 after attainment of age 60, or after the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3% or the change in the Consumer Price Index for the proceeding 12 months ended in September.

Contributions

Covered employees are required to contribute 9.45% 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 accumulated interest. The City is required to contribute the remaining

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Firefighters' Pension Plan (Continued)

amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2040, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded. For the year ended April 30, 2024, the City's contribution was 46.38% of the covered payroll.

Investments

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

| Asset Class | Long-term Expected Rate of Return | Long-term Inflation Expectation | Long-term Expected Real Rate of Return | Target Allocation |
|----------------------------------|-----------------------------------------|---------------------------------------|----------------------------------------------|----------------------|
| U.S. equity | 7.70% | 2.50% | 5.20% | 25.00% |
| Developed market equity (Non-US) | 8.10% | 2.50% | 5.60% | 13.00% |
| Emerging market equity | 8.00% | 2.50% | 5.50% | 7.00% |
| Private equity | 11.10% | 2.50% | 8.60% | 10.00% |
| Public credit | 4.40% | 2.50% | 1.90% | 3.00% |
| Private credit | 9.50% | 2.50% | 7.00% | 7.00% |
| Core fixed income | 4.30% | 2.50% | 1.80% | 9.00% |
| Core plus fixed income | 4.90% | 2.50% | 2.40% | 9.00% |
| Short-term treasuries | 2.80% | 2.50% | 0.30% | 3.00% |
| Real estate | 7.40% | 2.50% | 4.90% | 10.00% |
| Infrastructure | 7.60% | 2.50% | 5.10% | 4.00% |

ILCS limit the Firefighters' Pension 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 Firefighters' Pension 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, 2024, are listed in the table above.

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Firefighters' Pension Plan (Continued)

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.

Rate of Return

For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.22%. 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.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of April 30, 2024 using the following actuarial methods and assumptions:

| | |
|----------------------------------------------------|-----------------------|
| Actuarial cost method | Projected unit credit |
| Asset valuation method | Fair Value |
| Amortization | Level % pay |
| Actuarial assumptions: | |
| Discount rate used for the total pension liability | 6.08% |
| Expected rate of return on investments | 6.75% |
| High-quality 20 year tax-exempt G.O. bond rate | 4.07% |
| Projected individual pay increases | 3.25% - 6.80% |
| Projected total payroll increase | 3.25% |
| Consumer price index (urban) | 2.25% |
| Inflation rate | 2.25% |

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. 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

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Firefighters' Pension Plan (Continued)

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 (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.

Discount Rate

The discount rate used to measure the total pension liability was 6.08%. 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 4.07% for tax exempt general obligation municipal bonds rated AA or better as of April 30, 2024, to arrive at a discount rate of 6.08% 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 6.08% 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 5.08% or 1 percentage point higher 7.08% than the current rate:

| | 1% Decrease 5.08% | Current Discount Rate 6.08% | 1% Increase 7.08% |
|-----------------------|----------------------|-----------------------------------|----------------------|
| Net pension liability | \$ 22,063,295 | \$ 16,601,507 | \$ 12,166,321 |

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Firefighters' Pension Plan (Continued)

The sensitivity of the net pension liability to the discount rate is based primarily on two factors:

1. The duration of the Firefighters' Pension Plan's projected benefit payments. younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The percent funded of the Firefighters' Pension Plan (ratio of the Plan Fiduciary Net Position to the Total Pension Liability). The higher the percent funded, the higher the sensitivity to the discount rate.

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) – (B) |
|-----------------------------------------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances as of April 30, 2023 | <u>\$ 36,447,530</u> | <u>\$ 18,274,797</u> | <u>\$ 18,172,733</u> |
| Changes for the year: | | | |
| Service cost | 690,344 | – | 690,344 |
| Interest on the total pension liability | 2,060,605 | – | 2,060,605 |
| Differences between expected and actual experience of the total pension liability | 582,676 | – | 582,676 |
| Changes in assumptions | (1,993,119) | – | (1,993,119) |
| Contributions - employer | – | 961,479 | (961,479) |
| Contributions - employees | – | 204,755 | (204,755) |
| Net investment income | – | 1,753,687 | (1,753,687) |
| Benefit payment, including refunds of employee contributions | (1,577,664) | (1,577,664) | – |
| Other (net transfer) | – | (8,189) | 8,189 |
| Net Changes | <u>(237,158)</u> | <u>1,334,068</u> | <u>(1,571,226)</u> |
| Balances as of April 30, 2024 | <u><u>\$ 36,210,372</u></u> | <u><u>\$ 19,608,865</u></u> | <u><u>\$ 16,601,507</u></u> |

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2024, the City recognized pension expense for fire pension of \$1,730,281. As of April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Firefighters' Pension Plan (Continued)

| Deferred Amounts Related to Pension | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|-------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| <i>Deferred amounts to be recognized in pension expense in future periods</i> | | |
| Differences between expected and actual experience | \$ 546,709 | \$ 1,093,231 |
| Assumption changes | 2,965,641 | 1,958,969 |
| Net difference between projected and actual earnings on pension plan investments | 276,228 | — |
| Total | <u><u>\$ 3,788,578</u></u> | <u><u>\$ 3,055,200</u></u> |

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

| <u>Years Ending April 30,</u> | <u>Net Deferred Outflows (Inflows) of Resources</u> |
|-------------------------------|---------------------------------------------------------|
| 2025 | \$ (242,262) |
| 2026 | 768,013 |
| 2027 | 325,440 |
| 2028 | (65,805) |
| 2029 | (49,008) |
| Thereafter | — |
| Total | <u><u>\$ 736,378</u></u> |

NOTE 6 OTHER POST-EMPLOYMENT BENEFITS

Health Insurance Plan

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. The benefits, benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and ILCS. The plan does not issue a separate report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The activity of the plan is reported in the City's governmental and business-type activities.

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Eligibility Provisions

Full-Time Employees - IMRF

Tier I IMRF full-time employees age 55 with at least 8 years of service are covered.

Tier II IMRF full-time employees age 62 with at least 10 years of service are covered.

Full-Time employees - Firefighters

Tier I full-time Firefighters, at least 50 years old with at least 20 years of service are covered.

Tier II full-time Firefighters, at least 55 years old with at least 10 years of service are covered.

Full-Time employees - Police

Tier I full-time Police officers age 50 with at least 20 years of service are covered.

Tier II full-time Police officers, at least age 55 with at least 10 years of service are covered.

Benefits Provided

The City provides continued health insurance coverage at the active employee rates to all eligible retirees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance since the retiree does not pay an age adjusted premium. To be eligible for benefits, an employee must qualify for retirement under the City's retirement plan. The benefit levels are the same as those afforded to active employees. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the City's active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime.

Participant Data

At April 30, 2024, participant data consisted of:

| | <u>Participants</u> |
|-----------------------------------------------------------------------|---------------------|
| Total active employees | 139 |
| Inactive employees currently receiving benefit payments | 75 |
| Inactive employees entitled to but not yet receiving benefit payments | — |
| Total | <u><u>214</u></u> |

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The City's total OPEB liability of \$7,614,224 for year ended April 30, 2024 has been developed based on the April 30, 2024 actuarial valuation date.

Actuarial Assumptions

The total OPEB liability in the April 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Actuarial cost method | Entry Age Normal |
| Asset valuation method | Market Value of Assets |
| Discount rate used for the total OPEB liability | 4.07% |
| Long-term expected rate of return on plan assets | N/A. OPEB obligation is unfunded. |
| High quality 20 year tax-exempt G.O. bond Rate | 4.07% |
| Total payroll increases | 3.00% |
| Annual blended premiums | Medical: Premiums charged for coverage of retiree and spouse, regardless of age is \$14,976. |
| Healthcare trend rates | Pre-65: For fiscal years on and after 2024, initial trend rate of 4.50% to ultimate trend of 5.00%. |
| | Post-65: For fiscal years on and after 2024, initial trend rate of 4.00% to ultimate trend of 2.50%. |
| Retirement, termination, disability rates | IMRF: Based on Rates from IMRF Experience Study Report dated December 14, 2020. |
| | Police: 100% of Assumption Study Cap Age 65 for Police 2020. |
| | Firefighters: 100% of Assumption Study Cap Age 65 for Firefighters 2020. |

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (Continued)

IMRF Mortality was based on the PubG2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020.

Police and Firefighters Mortality were based on the following:

- Active Mortality follows 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 generationally using MP-2019 Improvement Rates.
- Retiree Mortality follows the 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 generationally using MP-2019 Improvement Rates.
- Disabled Mortality follows 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 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 (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.

All mortality rates are adjusted for retirement status. IMRF spouses use the same mortality tables as retirees.

55% of active Police and Fire Participants who become disabled are assumed to be eligible for PSEBA benefits.

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in Total OPEB Liability

| | Total OPEB Liability |
|-----------------------------------------------------------------------------------|-------------------------|
| Balance as of April 30, 2023 | \$ 8,165,057 |
| Changes for the year: | |
| Service cost | 152,141 |
| Interest | 276,409 |
| Differences between expected and actual experience of the total OPEB liability | — |
| Changes of assumptions | (309,847) |
| Contributions - employer | — |
| Contributions - employees | — |
| Net investment income | — |
| Benefit payments | (669,536) |
| Net changes | (550,833) |
| Balance as of April 30, 2024 | <u>\$ 7,614,224</u> |

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, 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. The expected contributions are based on the funding policy of the plan.

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Municipal Bond Rate

The Municipal Bond Rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate as of April 30, 2024 is 4.07%. The 20-Bond GO 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 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 yield of the bonds.

Sensitivity of the Discount Rate

The following presents the City’s net OPEB liability calculated using a discount rate of 4.07%, as well as what the City’s net OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point higher (5.07%) or 1-percentage-point lower (3.07%) than the current discount rate:

| | 1% Decrease (3.07%) | Current Discount Rate (4.07%) | 1% Increase (5.07%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Employer’s net OPEB liability | \$ 8,205,492 | \$ 7,614,224 | \$ 7,092,889 |

The sensitivity of the net OPEB liability to the discount rate is based primarily on two factors:

1. The duration of the plan’s expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The funded percentage of the plan (ratio of the net position to the total OPEB liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Healthcare Trend Rate

The following presents the City's total OPEB liability, calculated using the healthcare cost trend rates as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

| | 1% Decrease (Varies) | Healthcare Cost Trend Rates (Varies) | 1% Increase (Varies) |
|-------------------------------|-------------------------|--------------------------------------------|-------------------------|
| Employer's net OPEB liability | \$ 6,926,837 | \$ 7,614,224 | \$ 8,406,185 |

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

For the year ended April 30, 2024, the City recognized OPEB expense of \$372,235. At April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| Deferred Amounts Related to Pension | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| <i>Deferred amounts to be recognized in pension expense in future periods</i> | | |
| Differences between expected and actual experience | \$ 1,768,797 | \$ 1,428,873 |
| Assumption changes | 639,416 | 1,066,135 |
| Total | <u>\$ 2,408,213</u> | <u>\$ 2,495,008</u> |

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

| Years Ending April 30, | Net Deferred Outflows (Inflows) of Resources |
|------------------------|-------------------------------------------------|
| 2025 | \$ (56,315) |
| 2026 | (56,315) |
| 2027 | (62,856) |
| 2028 | (147,206) |
| 2029 | (137,793) |
| Thereafter | 373,690 |
| Total | <u>\$ (86,795)</u> |

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 7 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term debt of the City for the year ended April 30, 2024:

| Type of Debt | Balance April 30, 2023 | Additions | Deductions | Balance April 30, 2024 | Amounts Due Within One Year |
|--------------------------------|---------------------------|-------------------|-----------------------|---------------------------|-----------------------------------|
| Governmental activities | | | | | |
| General obligation bonds | \$ 28,820,801 | \$ — | \$ (1,935,319) | \$ 26,885,482 | \$ 2,015,651 |
| Unamortized bond premium | 4,893,164 | — | (337,294) | 4,555,870 | 351,266 |
| Total general obligation bonds | 33,713,965 | — | (2,272,613) | 31,441,352 | 2,366,917 |
| Net pension liability | | | | | |
| IMRF | 1,696,569 | — | (1,365,949) | 330,620 | — |
| Police Pension | 20,066,254 | — | (1,448,346) | 18,617,908 | — |
| Firefighters' Pension | 18,172,733 | — | (1,571,226) | 16,601,507 | — |
| OPEB liability | 6,968,060 | — | (470,081) | 6,497,979 | — |
| Loans payable | 1,366,839 | — | (634,993) | 731,846 | 175,485 |
| Lease payable | 288,992 | 80,919 | (172,635) | 197,276 | 87,438 |
| Subscription payable | — | 45,429 | (22,820) | 22,609 | 22,609 |
| Total | <u>\$ 82,273,412</u> | <u>\$ 126,348</u> | <u>\$ (7,958,663)</u> | <u>\$ 74,441,097</u> | <u>\$ 2,652,449</u> |

| Type of Debt | Balance April 30, 2023 | Additions | Deductions | Balance April 30, 2024 | Amounts Due Within One Year |
|----------------------------------|---------------------------|---------------------|-----------------------|---------------------------|-----------------------------------|
| Business-type activities: | | | | | |
| General obligation bonds | \$ 4,434,198 | \$ — | \$ (369,680) | \$ 4,064,518 | \$ 384,349 |
| Unamortized bond premium | 756,040 | — | (65,027) | 691,013 | 67,608 |
| Total general obligation bonds | 5,190,238 | — | (434,707) | 4,755,531 | 451,957 |
| Net pension liability – IMRF | 535,759 | — | (437,002) | 98,757 | — |
| OPEB liability | 1,196,997 | — | (80,752) | 1,116,245 | — |
| Loans payable | 4,336,609 | 2,741,500 | (814,520) | 6,263,589 | 337,072 |
| Subscription payable | — | 52,860 | (26,553) | 26,307 | 26,307 |
| Total | <u>\$ 11,259,603</u> | <u>\$ 2,794,360</u> | <u>\$ (1,793,534)</u> | <u>\$ 12,260,429</u> | <u>\$ 815,336</u> |

Legal Debt Margin

Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly. To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

General Obligation Bonds

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.

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 7 LONG-TERM OBLIGATIONS (Continued)

On August 17, 2020, the City issued \$37,270,000 in General Obligation Refunding Bonds, Series 2020, for the purpose of refunding the General Obligation Bonds, Series 2010A, Series 2010B, and Series 2012. Principal payments are due annually on June 1 of each year, commencing on June 15, 2021, and ending on December 15, 2040, in amounts ranging from \$795,000 to \$3,275,000. Interest is due semi-annually on June 15 and December 15 of each year at a rate of 4.00%. Principal and interest payments are made from dedicated revenues and associated property tax levies.

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. During the year ended April 30, 2024, amortization of bond premium was \$402,321.

Debt service requirements to maturity for general obligation bonds are as follows:

| Years Ending April 30, | Governmental Activities | | Business-type Activities | |
|---------------------------|-------------------------|----------------------|--------------------------|----------------------|
| | Principal Payments | Interest Payments | Principal Payments | Interest Payments |
| 2025 | \$ 2,015,651 | \$ 1,062,419 | \$ 384,349 | \$ 162,581 |
| 2026 | 2,090,981 | 981,793 | 399,019 | 147,207 |
| 2027 | 2,179,355 | 898,154 | 415,645 | 131,246 |
| 2028 | 2,262,729 | 810,980 | 432,271 | 114,620 |
| 2029 | 2,351,103 | 720,471 | 448,897 | 97,329 |
| Thereafter | 15,985,663 | 2,919,713 | 1,984,337 | 202,287 |
| Total | <u>\$26,885,482</u> | <u>\$ 7,393,530</u> | <u>\$ 4,064,518</u> | <u>\$ 855,270</u> |

Loans Payable

The City has issued various loans as follows:

| | <u>Maturity Date</u> | <u>Interest Rates</u> | <u>Amount</u> |
|------------------------------------------------------------------------------------------|----------------------|---------------------------|---------------|
| Note dated 12/30/16 - secured by 1% municipal sales tax - annual payment \$185,697 | 1/05/2024 | 3.75% | \$ 1,120,900 |
| Note dated 1/05/17 - unsecured - annual payment \$34,397 | 1/05/2024 | 2.78% | 461,000 |

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 7 LONG-TERM OBLIGATIONS (Continued)

| | <u>Maturity Date</u> | <u>Interest Rates</u> | <u>Amount</u> |
|------------------------------------------------------------------------------------|----------------------|-----------------------|----------------------|
| Note dated 12/30/16 - secured by 1% home rule sales tax - annual payment \$586,027 | 8/07/2023 | 2.79% | \$ 2,700,000 |
| Note dated 12/19/22 - unsecured - annual payment \$195,890 | 12/19/2027 | 2.75% | 902,571 |
| IEPA loan dated 11/30/05 - semi-annual payment \$21,234 | 5/30/2025 | 2.50% | 652,277 |
| IEPA loan dated 11/21/20 - semi-annual payment \$5,848 | 5/21/2039 | 1.38% | 194,902 |
| IEPA loan dated 12/31/21 - semi-annual payment \$48,190 | 3/17/2043 | 1.01% | 1,745,234 |
| IEPA loan dated 4/01/22 - semi-annual payment \$60,337 | 1/08/2042 | 1.01% | 2,172,742 |
| IEPA loan dated 6/29/22 - semi-annual payment \$65,236 | 3/22/2044 | 0.83% | 5,088,598 |
| Total | | | <u>\$ 15,038,224</u> |

Debt service requirements to maturity for loans payable are as follows:

| Years Ending April 30, | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
|---------------------------|--------------------------------|--------------------------|---------------------------------|--------------------------|
| | <u>Principal Payments</u> | <u>Interest Payments</u> | <u>Principal Payments</u> | <u>Interest Payments</u> |
| 2025 | \$ 175,485 | \$ 20,405 | \$ 337,072 | \$ 59,546 |
| 2026 | 180,378 | 15,512 | 324,827 | 55,631 |
| 2027 | 185,407 | 10,483 | 306,765 | 52,458 |
| 2028 | 190,576 | 5,314 | 309,704 | 49,519 |
| 2029 | — | — | 312,672 | 46,552 |
| Thereafter | — | — | 4,672,549 | 325,442 |
| Total | <u>\$ 731,846</u> | <u>\$ 51,714</u> | <u>\$ 6,263,589</u> | <u>\$ 589,148</u> |

NOTE 8 LEASES AND SUBSCRIPTION-BASED IT ARRANGEMENTS

Leases

The City entered into agreements to lease certain equipment and vehicles. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On June 6, 2019, the City 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 U.S. 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.

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.

On June 3, 2019, the City entered into a master equity lease agreement with Enterprise Fleet Management for rental vehicles with a lease term of forty-eight months. The term of the agreement for each vehicle begins on the date such vehicle is delivered to Lessee (delivery date) and continues for the lease term of 48 months. The City was leasing 44 vehicles as of April 30, 2024.

On November 1, 2023, the City entered into a non-cancellable operating lease agreement with Bathla Capital Group, LLC for office space with monthly payments ranging from \$1,400 to \$1,500 for sixty months. There will be no option for extension after the expiration of the original term.

The City's leases have no variable payment components. The lease liabilities are measured at a discount rate of 2.75%, which is the City's incremental borrowing rate. As of April 30, 2024, intangible right-to-use lease assets amounted to \$197,574, net of accumulated amortization, which is included in Note 3 - Capital Assets.

The future minimum lease obligations and the net present value of these minimum lease payments as of April 30, 2024, were as follows:

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 8 LEASES AND SUBSCRIPTION-BASED IT ARRANGEMENTS (Continued)

| Years Ending April 30, | Principal Payments | Interest Payments | Total |
|---------------------------|-----------------------|----------------------|-------------------|
| 2025 | \$ 87,438 | \$ 4,298 | \$ 91,736 |
| 2026 | 69,698 | 2,012 | 71,710 |
| 2027 | 16,600 | 900 | 17,500 |
| 2028 | 17,573 | 427 | 18,000 |
| 2029 | 5,967 | 34 | 6,001 |
| Total | <u>\$ 197,276</u> | <u>\$ 7,671</u> | <u>\$ 204,947</u> |

Subscription

On September 2, 2021, the City has entered into an subscription-based information technology arrangement with Tyler Technologies, Inc. to access various software essentials for financial, utility and personnel management. This agreement allows the City to use Tyler Technologies' software as a service (SaaS) for its internal operations. The term of this agreement is three (3) years with an annual payment of \$50,278 as set forth in the agreement. At the end of the initial term, this agreement shall renew on an annual basis. The agreement was recognized as right-to-use subscription asset, along with corresponding subscription liability, at the present value of the future minimum lease payments as of the date of GASB Statement No. 96 adoption.

The subscription payable is measured at a discount rate of 2.75%, which is the City's incremental borrowing rate. As of April 30, 2024, intangible right-to-use subscription assets amounted to \$34,617, net of accumulated amortization, which is included in Note 3 - Capital Assets.

The future minimum lease obligations and the net present value of these minimum lease payments as of April 30, 2024, were as follows:

| Years Ending April 30, | Principal Payments | Interest Payments | Total |
|---------------------------|-----------------------|----------------------|------------------|
| 2025 | <u>\$ 48,916</u> | <u>\$ 1,362</u> | <u>\$ 50,278</u> |

NOTE 9 RISK MANAGEMENT

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, 2024, have not yet been finalized. Accordingly, the City's compliance with applicable program requirements will be established at some future date.

NOTE 9 RISK MANAGEMENT (Continued)

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 elected to manage this risk by becoming a member of the Illinois Municipal League Risk Management Association (IMLRMA). 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 shortfalls. 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's 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, 2024, 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, 2024, are recognized as a long-term liability in the statement of net position. Changes in the insurance claims payable for the years ended April 30, 2024 and 2023 are as follows:

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2024

NOTE 9 RISK MANAGEMENT (Continued)

| | 2024 | 2023 |
|------------------------------|------------------|-------------------|
| Claims liability - beginning | \$ 204,611 | \$ 916,484 |
| Incurred claims | 2,671,018 | 1,450,577 |
| Claim payments | (2,857,751) | (2,162,450) |
| Claims liability - ending | <u>\$ 17,878</u> | <u>\$ 204,611</u> |

NOTE 10 COMMITMENTS AND CONTINGENCIES

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The City has commitments to active construction projects to be financed primarily from capital projects and enterprise funds as of April 30, 2024. Major commitments of the City were as follows:

| | Amount |
|--------------------------------------------------------|--------------|
| Governmental Funds: | |
| Quality of Life - 44 th street construction | \$ 3,529,712 |
| Downtown TIF - Downtown TIF projects | 1,457,000 |
| Proprietary Funds: | |
| Water Fund - Phase 3 IEPA Water Line Construction | 1,915,768 |
| Sewer Fund -Sanitary Sewer Improvements | 1,826,344 |

NOTE 11 TAX INCREMENT FINANCING FUNDS

During the year ended April 30, 2009, the City created two TIF funds. The Downtown TIF fund and the Homestead TIF fund. During the 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, 2024.

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

NOTE 11 TAX INCREMENT FINANCING FUNDS (Continued)

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, under performing areas.

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

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

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

NOTE 12 TAX ABATEMENT

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 an application to, and be certified by, the Illinois Department of Commerce and Economic Opportunity.

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.

NOTE 12 TAX ABATEMENT (Continued)

TIF Incentives

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

NOTE 13 SUBSEQUENT EVENTS

The City evaluated subsequent events through October 24, 2024, the date the financial statements were available to be issued. In the course of this evaluation, the City has not identified any material subsequent events which are required to be adjusted or disclosed in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

City of Mt. Vernon, Illinois
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended April 30, 2024

| | General Fund | | | | Quality of Life | | | |
|--------------------------------------------------------------|-----------------------|-----------------------|----------------------|-------------------------------------------------------------|-----------------------|-----------------------|---------------------|-------------------------------------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Sales taxes | \$ 14,096,591 | \$ 14,096,591 | \$ 13,041,071 | \$ (1,055,520) | \$ 2,107,298 | \$ 2,107,298 | \$ 2,646,249 | \$ 538,951 |
| Use taxes | 577,366 | 577,366 | 553,778 | (23,588) | - | - | - | - |
| Hotel/motel taxes | 717,000 | 717,000 | 1,176,011 | 459,011 | - | - | - | - |
| Property taxes | 2,305,613 | 2,305,613 | 452,599 | (1,853,014) | - | - | - | - |
| Franchise and utility taxes | 143,000 | 143,000 | 109,716 | (33,284) | - | - | - | - |
| Public service taxes | 1,679,114 | 1,679,114 | 3,980,743 | 2,301,629 | - | - | - | - |
| Licenses, fines, fees and permits | 588,770 | 588,770 | 500,624 | (88,146) | - | - | - | - |
| Grants and contributions | 18,500 | 18,500 | 36,033 | 17,533 | 3,609,129 | 3,609,129 | 293,000 | (3,316,129) |
| Charges for services | 639,318 | 639,318 | 739,884 | 100,566 | - | - | - | - |
| Investment income | 36,234 | 36,234 | 948,364 | 912,130 | 6,441 | 6,441 | 422,565 | 416,124 |
| Miscellaneous | 25,050 | 25,050 | 130,352 | 105,302 | - | - | 1,313,931 | 1,313,931 |
| Total revenues | <u>20,826,556</u> | <u>20,826,556</u> | <u>21,669,175</u> | <u>842,619</u> | <u>5,722,868</u> | <u>5,722,868</u> | <u>4,675,745</u> | <u>(1,047,123)</u> |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General government | 8,292,769 | 8,178,769 | 5,452,864 | 2,725,905 | 6,675,385 | 6,675,385 | 398,202 | 6,277,183 |
| Public safety | 9,525,690 | 9,573,690 | 9,621,409 | (47,719) | - | - | - | - |
| Public works | 2,102,539 | 2,123,539 | 1,746,067 | 377,472 | - | - | - | - |
| Engineering services | - | - | - | - | - | - | - | - |
| Culture and recreation | 513,249 | 513,249 | - | 513,249 | - | - | - | - |
| Capital outlay | - | - | 45,429 | (45,429) | 5,186,646 | 5,343,046 | 6,453,617 | (1,110,571) |
| Debt service | | | | | | | | |
| Principal | 134,632 | 134,632 | 165,464 | (30,832) | 1,046,582 | 1,046,582 | 1,134,978 | (88,396) |
| Interest and fiscal charges | 5,119 | 5,119 | 5,791 | (672) | 377,853 | 377,853 | 705,859 | (328,006) |
| Total disbursements | <u>20,573,998</u> | <u>20,528,998</u> | <u>17,037,024</u> | <u>3,491,974</u> | <u>13,286,466</u> | <u>13,442,866</u> | <u>8,692,656</u> | <u>4,750,210</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>252,558</u> | <u>297,558</u> | <u>4,632,151</u> | <u>4,334,593</u> | <u>(7,563,598)</u> | <u>(7,719,998)</u> | <u>(4,016,911)</u> | <u>3,703,087</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in (out) | (3,283,908) | (3,283,908) | (3,327,546) | (43,638) | - | - | - | - |
| Other financing - subscriptions | - | - | 45,429 | 45,429 | - | - | - | - |
| Total other financing sources (uses) | <u>(3,283,908)</u> | <u>(3,283,908)</u> | <u>(3,282,117)</u> | <u>1,791</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ (3,031,350)</u> | <u>\$ (2,986,350)</u> | <u>1,350,034</u> | <u>\$ 4,336,384</u> | <u>\$ (7,563,598)</u> | <u>\$ (7,719,998)</u> | <u>(4,016,911)</u> | <u>\$ 3,703,087</u> |
| FUND BALANCES - BEGINNING OF YEAR | | | <u>16,609,831</u> | | | | <u>8,584,816</u> | |
| FUND BALANCES - END OF YEAR | | | <u>\$ 17,959,865</u> | | | | <u>\$ 4,567,905</u> | |

City of Mt. Vernon, Illinois
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended April 30, 2024

| | Home Rule Tax | | | | Total | | | |
|--------------------------------------------------------------|-----------------------|-----------------------|---------------------|-------------------------------------------------------------|------------------------|------------------------|----------------------|-------------------------------------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Sales taxes | \$ 4,710,100 | \$ 4,710,100 | \$ 5,292,498 | \$ 582,398 | \$ 20,913,989 | \$ 20,913,989 | \$ 20,979,818 | \$ 65,829 |
| Use taxes | - | - | - | - | 577,366 | 577,366 | 553,778 | (23,588) |
| Hotel/motel taxes | - | - | - | - | 717,000 | 717,000 | 1,176,011 | 459,011 |
| Property taxes | - | - | - | - | 2,305,613 | 2,305,613 | 452,599 | (1,853,014) |
| Franchise and utility taxes | - | - | - | - | 143,000 | 143,000 | 109,716 | (33,284) |
| Public service taxes | - | - | - | - | 1,679,114 | 1,679,114 | 3,980,743 | 2,301,629 |
| Licenses, fines, fees and permits | - | - | - | - | 588,770 | 588,770 | 500,624 | (88,146) |
| Grants and contributions | 2,400,000 | 2,400,000 | - | (2,400,000) | 6,027,629 | 6,027,629 | 329,033 | (5,698,596) |
| Charges for services | - | - | - | - | 639,318 | 639,318 | 739,884 | 100,566 |
| Investment income | 13,500 | 13,500 | 277,362 | 263,862 | 56,175 | 56,175 | 1,648,291 | 1,592,116 |
| Miscellaneous | - | - | - | - | 25,050 | 25,050 | 1,444,283 | 1,419,233 |
| Total revenues | <u>7,123,600</u> | <u>7,123,600</u> | <u>5,569,860</u> | <u>(1,553,740)</u> | <u>33,673,024</u> | <u>33,673,024</u> | <u>31,914,780</u> | <u>(1,758,244)</u> |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General government | 1,282,361 | 1,282,361 | 852,569 | 429,792 | 16,250,515 | 16,136,515 | 6,703,635 | 9,432,880 |
| Public safety | - | - | - | - | 9,525,690 | 9,573,690 | 9,621,409 | (47,719) |
| Public works | - | - | - | - | 2,102,539 | 2,123,539 | 1,746,067 | 377,472 |
| Engineering services | - | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | 513,249 | 513,249 | - | 513,249 |
| Capital outlay | 8,273,145 | 8,273,145 | 494,661 | 7,778,484 | 13,459,791 | 13,616,191 | 6,993,707 | 6,622,484 |
| Debt service | | | | | | | | |
| Principal | 181,152 | 181,152 | 246,331 | 65,179 | 1,362,366 | 1,362,366 | 1,546,773 | 184,407 |
| Interest and fiscal charges | 192,315 | 192,315 | 103,586 | (88,729) | 575,287 | 575,287 | 815,236 | 239,949 |
| Total disbursements | <u>9,928,973</u> | <u>9,928,973</u> | <u>1,697,147</u> | <u>8,184,726</u> | <u>43,789,437</u> | <u>43,900,837</u> | <u>27,426,827</u> | <u>17,322,722</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(2,805,373)</u> | <u>(2,805,373)</u> | <u>3,872,713</u> | <u>6,630,986</u> | <u>(10,116,413)</u> | <u>(10,227,813)</u> | <u>4,487,953</u> | <u>15,564,478</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in (out) | (2,842,207) | (2,842,207) | (2,372,738) | 469,469 | (6,126,115) | (6,126,115) | (5,700,284) | 425,831 |
| Other financing - subscriptions | - | - | - | - | - | - | 45,429 | 45,429 |
| Total other financing sources (uses) | <u>(2,842,207)</u> | <u>(2,842,207)</u> | <u>(2,372,738)</u> | <u>469,469</u> | <u>(6,126,115)</u> | <u>(6,126,115)</u> | <u>(5,654,855)</u> | <u>471,260</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ (5,647,580)</u> | <u>\$ (5,647,580)</u> | <u>1,499,975</u> | <u>\$ 7,100,455</u> | <u>\$ (16,242,528)</u> | <u>\$ (16,353,928)</u> | <u>(1,166,902)</u> | <u>\$ 16,035,738</u> |
| FUND BALANCES - BEGINNING OF YEAR | | | <u>3,901,987</u> | | | | <u>29,096,634</u> | |
| FUND BALANCES - END OF YEAR | | | <u>\$ 5,401,962</u> | | | | <u>\$ 27,929,732</u> | |

Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios
Last Nine Calendar Years

| Calendar year ended December 31, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-------------------------------------------------------------------------------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | | | | | |
| Service cost | \$ 392,737 | \$ 366,243 | \$ 371,231 | \$ 394,797 | \$ 397,118 | \$ 365,511 | \$ 393,336 | \$ 420,770 | \$ 447,233 |
| Interest on the total pension liability | 2,396,611 | 2,424,709 | 2,405,903 | 2,388,828 | 2,369,756 | 2,338,519 | 2,393,667 | 2,302,457 | 2,120,906 |
| Differences between expected and actual experience of the total pension liability (asset) | 681,280 | (706,756) | (24,821) | 57,582 | (98,825) | 357,873 | (55,798) | 910,686 | 2,129,371 |
| Changes of assumptions | (43,107) | - | - | (150,346) | - | 831,946 | (992,225) | (70,880) | 25,468 |
| Benefit payments, including refunds of employee contributions | (2,549,143) | (2,703,275) | (2,464,389) | (2,422,745) | (2,384,918) | (2,422,305) | (2,498,453) | (2,332,072) | (2,157,372) |
| Net change in total pension liability | 878,378 | (619,079) | 287,924 | 268,116 | 283,131 | 1,471,544 | (759,473) | 1,230,961 | 2,565,606 |
| Total pension liability - beginning | 33,900,287 | 34,519,366 | 34,231,442 | 33,963,326 | 33,680,195 | 32,208,651 | 32,968,124 | 31,737,163 | 29,171,557 |
| Total pension liability - ending (A) | \$ 34,778,665 | \$ 33,900,287 | \$ 34,519,366 | \$ 34,231,442 | \$ 33,963,326 | \$ 33,680,195 | \$ 32,208,651 | \$ 32,968,124 | \$ 31,737,163 |
| Plan fiduciary net position | | | | | | | | | |
| Contributions - employer | \$ 214,540 | \$ 374,436 | \$ 455,161 | \$ 522,212 | \$ 389,637 | \$ 518,376 | \$ 442,180 | \$ 1,620,935 | \$ 587,963 |
| Contributions - employees | 321,587 | 307,952 | 168,025 | 173,685 | 169,244 | 166,264 | 167,076 | 223,818 | 302,026 |
| Net investment income | 4,719,317 | (7,005,366) | 6,297,519 | 4,868,272 | 5,765,928 | (2,156,284) | 5,459,348 | 1,852,814 | 133,639 |
| Benefit payments, including refunds of employee contributions | (2,549,143) | (2,703,275) | (2,464,389) | (2,422,745) | (2,384,918) | (2,422,305) | (2,498,453) | (2,332,072) | (2,157,372) |
| Other (net transfer) | (24,972) | (32,653) | (152,352) | (118,699) | (3,763) | 764,011 | (492,882) | 244,633 | 807,399 |
| Net change in plan fiduciary net position | 2,681,329 | (9,058,906) | 4,303,964 | 3,022,725 | 3,936,128 | (3,129,938) | 3,077,269 | 1,610,128 | (326,345) |
| Plan fiduciary net position - beginning | 31,667,959 | 40,726,865 | 35,551,456 | 32,528,731 | 28,592,603 | 31,722,541 | 28,645,272 | 27,035,144 | 27,361,489 |
| Plan fiduciary net position - ending (B) | \$ 34,349,288 | \$ 31,667,959 | \$ 39,855,420 | \$ 35,551,456 | \$ 32,528,731 | \$ 28,592,603 | \$ 31,722,541 | \$ 28,645,272 | \$ 27,035,144 |
| Net pension liability (asset) - ending (A) - (B) | \$ 429,377 | \$ 2,232,328 | \$ (5,336,054) | \$ (1,320,014) | \$ 1,434,595 | \$ 5,087,592 | \$ 486,110 | \$ 4,322,852 | \$ 4,702,019 |
| Plan fiduciary net position as a percentage of the total pension liability | 98.77% | 93.42% | 115.46% | 103.86% | 95.78% | 84.89% | 98.49% | 86.89% | 85.18% |
| Covered payroll | \$ 4,396,314 | \$ 4,110,163 | \$ 3,733,890 | \$ 3,859,653 | \$ 3,760,971 | \$ 3,694,768 | \$ 3,565,971 | \$ 3,943,169 | \$ 4,168,843 |
| Net pension liability (asset) as a percentage of covered payroll | 9.77% | 54.31% | (142.91%) | (34.20%) | 38.14% | 137.70% | 13.63% | 109.63% | 112.79% |

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
Last Nine Fiscal Years**

| Fiscal Year Ended April 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a Percentage of Covered Payroll |
|-----------------------------------|-------------------------------------------|------------------------|----------------------------------------|--------------------|--------------------------------------------------------------|
| 2024 | \$ 237,374 | \$ 237,374 | \$ - | \$ 4,429,970 | 5.36% |
| 2023 | 327,012 | 327,012 | - | 4,543,907 | 7.20% |
| 2022 | 455,161 | 455,161 | - | 3,733,890 | 12.19% |
| 2021 | 522,211 | 522,211 | - | 3,859,653 | 13.53% |
| 2020 | 389,637 | 389,637 | - | 3,760,971 | 10.36% |
| 2019 | 527,613 | 518,376 | 9,237 | 3,694,768 | 14.03% |
| 2018 | 542,028 | 442,180 | 99,848 | 3,565,971 | 12.40% |
| 2017 | 475,152 | 1,620,935 | (1,145,783) | 3,943,169 | 41.11% |
| 2016 | 522,356 | 587,963 | (65,607) | 4,168,843 | 14.10% |

Notes to Schedule:

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2023 Contribution Rate**

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 4 months prior to the beginning of the Year in which contributions are reported.

Methods and Assumptions Used to Determine 2023 Contribution Rates:

| | |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Actuarial Cost Method:</i> | Aggregate entry age normal |
| <i>Amortization Method:</i> | Level percentage of payroll, closed |
| <i>Remaining Amortization Period:</i> | 20-year closed period |
| <i>Asset Valuation Method:</i> | 5-year smoothed market; 20% corridor |
| <i>Wage Growth:</i> | 2.75% |
| <i>Price Inflation:</i> | 2.25% |
| <i>Salary Increases:</i> | 2.75% to 13.75%, including inflation |
| <i>Investment Rate of Return:</i> | 7.25% |
| <i>Retirement Age:</i> | Experience-based table of rates that are specific to the type of eligibility conditions last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019. |
| <i>Mortality:</i> | 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.

* Based on Valuation Assumptions used in the December 31, 2023 actuarial valuation.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

City of Mt. Vernon, Illinois
Required Supplementary Information
For the Year Ended April 30, 2024

Police Pension Fund
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
Last Nine Years

| Year Ended April 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|-----------------------------------------------------------------------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | | | | | |
| Service cost | \$ 750,848 | \$ 723,902 | \$ 595,548 | \$ 585,683 | \$ 654,838 | \$ 658,250 | \$ 624,578 | \$ 587,893 | \$ 509,241 |
| Interest | 2,312,902 | 2,219,274 | 2,242,312 | 2,231,420 | 2,089,074 | 2,031,387 | 1,964,155 | 1,815,915 | 1,903,251 |
| Changes of benefit terms | - | (38,974) | - | - | 139,622 | - | - | - | - |
| Differences between expected and actual experience | 751,710 | (353,372) | (864,054) | (109,516) | (71,130) | 110,306 | 167,695 | (192,998) | - |
| Changes in assumptions | (2,168,607) | 388,551 | 5,258,704 | - | (2,885,672) | 1,015,132 | 275,985 | 1,797,325 | - |
| Benefit payments, including refunds of member contributions | (1,960,256) | (1,972,875) | (1,840,235) | (1,750,070) | (1,682,491) | (1,702,580) | (1,575,281) | (1,689,684) | (1,325,529) |
| Net change in total pension liability | (313,403) | 966,506 | 5,392,275 | 957,517 | (1,755,759) | 2,112,495 | 1,457,132 | 2,318,451 | 1,086,963 |
| Total pension liability - beginning | 41,394,657 | 40,428,151 | 35,035,876 | 34,078,359 | 35,834,118 | 33,721,623 | 32,264,491 | 29,946,040 | 28,859,077 |
| Total pension liability - ending (A) | \$ 41,081,254 | \$ 41,394,657 | \$ 40,428,151 | \$ 35,035,876 | \$ 34,078,359 | \$ 35,834,118 | \$ 33,721,623 | \$ 32,264,491 | \$ 29,946,040 |
| Plan fiduciary net position | | | | | | | | | |
| Contributions - employer | \$ 901,737 | \$ 963,748 | \$ 1,077,072 | \$ 1,070,796 | \$ 967,543 | \$ 914,270 | \$ 656,263 | \$ 935,025 | \$ 872,624 |
| Contributions - members | 271,708 | 248,593 | 291,254 | 232,192 | 240,866 | 237,340 | 259,049 | 274,341 | 259,417 |
| Contributions - other | - | - | - | 46,232 | - | - | - | - | - |
| Net investment income (loss) | 1,940,352 | (301,703) | (1,549,869) | 5,954,928 | (653,067) | 977,325 | 1,510,770 | 1,798,113 | (348,745) |
| Benefit payments, including refunds of member contributions | (1,960,256) | (1,972,875) | (1,840,235) | (1,750,070) | (1,682,491) | (1,702,580) | (1,575,281) | (1,689,684) | (1,325,529) |
| Administrative expense | (18,598) | (14,694) | (14,705) | (13,945) | (14,173) | (13,547) | (15,680) | (15,997) | (32,995) |
| Net change in fiduciary net position | \$ 1,134,943 | \$ (1,076,931) | \$ (2,036,483) | \$ 5,540,133 | \$ (1,141,322) | \$ 412,808 | \$ 835,121 | \$ 1,301,798 | \$ (575,228) |
| Plan fiduciary net position - beginning | 21,328,403 | 22,405,334 * | 24,746,643 | 19,206,510 | 20,347,832 | 19,935,024 | 19,099,903 | 17,798,105 | 18,373,333 |
| Plan fiduciary net position - ending (B) | \$ 22,463,346 | \$ 21,328,403 | \$ 22,710,160 | \$ 24,746,643 | \$ 19,206,510 | \$ 20,347,832 | \$ 19,935,024 | \$ 19,099,903 | \$ 17,798,105 |
| Net pension liability - ending (A) - (B) | \$ 18,617,908 | \$ 20,066,254 | \$ 17,717,991 | \$ 10,289,233 | \$ 14,871,849 | \$ 15,486,286 | \$ 13,786,599 | \$ 13,164,588 | \$ 12,147,935 |
| Plan fiduciary net position as a percentage of the total pension liability | 54.68% | 51.52% | 56.17% | 70.63% | 56.36% | 56.78% | 59.12% | 59.20% | 59.43% |
| Covered Payroll | \$ 2,741,149 | \$ 2,508,504 | \$ 2,509,899 | \$ 2,343,009 | \$ 2,415,504 | \$ 2,554,379 | \$ 2,442,239 | \$ 2,365,452 | \$ 2,524,089 |
| City's net pension liability as a percentage of covered payroll | 679.20% | 799.93% | 705.92% | 439.15% | 615.68% | 606.26% | 564.51% | 556.54% | 481.28% |

* Plan fiduciary net position, beginning was restated during fiscal year 2023 due to correction of errors.

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Police Pension Fund
Schedule of Employer Contributions
Last Nine Years

| Fiscal Year Ended April 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a Percentage of Covered Payroll |
|-----------------------------------|-------------------------------------------|------------------------|----------------------------------------|--------------------|-----------------------------------------------------------------|
| 2024 | \$ 1,054,526 | \$ 901,737 | \$ 152,789 | \$ 2,741,149 | 32.90% |
| 2023 | 964,822 | 963,748 | 1,074 | 2,508,504 | 38.42% |
| 2022 | 1,077,072 | 1,077,072 | - | 2,509,899 | 42.91% |
| 2021 | 1,070,796 | 1,070,796 | - | 2,343,009 | 45.70% |
| 2020 | 966,054 | 967,543 | (1,489) | 2,415,504 | 40.06% |
| 2019 | 895,148 | 914,270 | (19,122) | 2,554,379 | 35.79% |
| 2018 | 836,465 | 656,263 | 180,202 | 2,442,239 | 26.87% |
| 2017 | 749,419 | 935,025 | (185,606) | 2,365,452 | 39.53% |
| 2016 | 748,583 | 872,624 | (124,041) | 2,524,089 | 34.57% |

Notes to Schedule

The Actuarially Determined Contribution shown above for the current year is the Statutory Minimum Contribution from the May 1, 2023 Actuarial Valuation completed by the Illinois Police Officers' Pension Investment Fund for the December 2023 tax levy, if applicable. The methods and assumptions shown below are based on the same Actuarial Valuation. For more detail on the age-based and service-based rates disclosed below, please see the Actuarial Valuation.

| | |
|----------------------------------------|-----------------------------------------------------------------|
| Actuarial cost method | Projected unit credit |
| Amortization method | Level % pay (closed) |
| Equivalent single amortization period | 90% funded over 17 years |
| Asset valuation method | 5-year smoothed fair value |
| Inflation | 2.50% |
| Total payroll increases | 3.00% |
| Individual pay increases | 3.50% - 11.00% |
| Expected rate of return on investments | 6.80% |
| Mortality rates | PubS-2010 adjusted for plan status & demographics, as described |
| Retirement rates | IPOPIF Actuarial Experience Study Dated March 4, 2022 |
| Termination rates | IPOPIF Actuarial Experience Study Dated March 4, 2022 |
| Disability rates | IPOPIF Actuarial Experience Study Dated March 4, 2022 |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

City of Mt. Vernon, Illinois
Required Supplementary Information
For the Year Ended April 30, 2024

Police Pension Fund
Schedule of Investment Returns
Last Ten Years

| Year Ended April 30, | Annual Money-Weighted Rate of Return, Net of Investment Expense |
|-------------------------|--------------------------------------------------------------------|
| 2024 | 7.31% |
| 2023 | 2.00% |
| 2022 | (7.45%) |
| 2021 | 31.28% |
| 2020 | (3.64%) |
| 2019 | 5.40% |
| 2018 | 8.71% |
| 2017 | 10.78% |
| 2016 | (2.16%) |
| 2015 | 7.13% |

Firefighters' Pension Fund
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
Last Nine Years

| Year Ended April 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|-----------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | | | | | |
| Service cost | \$ 690,344 | \$ 573,058 | \$ 515,298 | \$ 505,285 | \$ 604,160 | \$ 554,525 | \$ 536,372 | \$ 503,305 | \$ 414,252 |
| Interest | 2,060,605 | 2,001,010 | 1,987,832 | 2,009,957 | 1,863,556 | 1,825,397 | 1,760,972 | 1,666,159 | 1,653,010 |
| Changes of benefit terms | - | (22,056) | - | - | 32,820 | - | - | - | - |
| Differences between expected and actual experience | 582,676 | (646,584) | (1,428,318) | (178,393) | 406,349 | (284,774) | (40,278) | 31,103 | - |
| Changes in assumptions | (1,993,119) | 3,407,921 | 1,421,288 | - | (1,861,933) | 1,679,882 | 77,931 | 464,384 | - |
| Benefit payments, including refunds of member contributions | (1,577,664) | (1,503,533) | (1,439,604) | (1,408,542) | (1,387,513) | (1,296,422) | (1,242,714) | (1,200,947) | (1,191,451) |
| Net change in total pension liability | (237,158) | 3,809,816 | 1,056,496 | 928,307 | (342,561) | 2,478,608 | 1,092,283 | 1,464,004 | 875,811 |
| Total pension liability - beginning | 36,447,530 | 32,637,714 | 31,581,218 | 30,652,911 | 30,995,472 | 28,516,864 | 27,424,581 | 25,960,577 | 25,084,766 |
| Total pension liability - ending (A) | \$ 36,210,372 | \$ 36,447,530 | \$ 32,637,714 | \$ 31,581,218 | \$ 30,652,911 | \$ 30,995,472 | \$ 28,516,864 | \$ 27,424,581 | \$ 25,960,577 |
| Plan fiduciary net position | | | | | | | | | |
| Contributions - employer | \$ 961,479 | \$ 1,083,607 | \$ 1,230,511 | \$ 1,185,567 | \$ 1,102,789 | \$ 965,697 | \$ 970,825 | \$ 763,136 | \$ 751,183 |
| Contributions - members | 204,755 | 193,371 | 188,166 | 185,827 | 181,340 | 181,439 | 185,102 | 181,858 | 185,080 |
| Net investment income (loss) | 1,753,687 | 175,661 | (1,128,638) | 5,603,680 | (1,729,019) | 243,352 | 1,057,215 | 1,528,491 | (322,125) |
| Benefit payments, including refunds of member contributions | (1,577,664) | (1,503,533) | (1,439,604) | (1,408,542) | (1,387,513) | (1,296,422) | (1,242,714) | (1,200,947) | (1,191,451) |
| Administrative expense | (8,189) | (20,029) | (14,036) | (18,063) | (16,230) | (15,443) | (18,851) | (19,841) | (15,538) |
| Prior period audit adjustment | - | - | 7,896 | - | - | - | - | - | - |
| Net change in fiduciary net position | 1,334,068 | (70,923) | (1,155,705) | 5,548,469 | (1,848,633) | 78,623 | 951,577 | 1,252,697 | (592,851) |
| Plan fiduciary net position - beginning | 18,274,797 | 18,345,720 * | 19,825,860 | 14,277,391 | 16,126,024 | 16,047,401 | 15,095,824 | 13,843,127 | 14,435,977 |
| Plan fiduciary net position - ending (B) | \$ 19,608,865 | \$ 18,274,797 | \$ 18,670,155 | \$ 19,825,860 | \$ 14,277,391 | \$ 16,126,024 | \$ 16,047,401 | \$ 15,095,824 | \$ 13,843,126 |
| Net pension liability - ending (A) - (B) | \$ 16,601,507 | \$ 18,172,733 | \$ 13,967,559 | \$ 11,755,358 | \$ 16,375,520 | \$ 14,869,448 | \$ 12,469,463 | \$ 12,328,757 | \$ 12,117,451 |
| Plan fiduciary net position as a percentage of the total pension liability | 54.15% | 50.14% | 57.20% | 62.78% | 46.58% | 52.03% | 56.27% | 55.04% | 53.32% |
| Covered Payroll | \$ 2,073,022 | \$ 2,023,200 | \$ 2,008,609 | \$ 1,945,384 | \$ 1,894,708 | \$ 2,029,652 | \$ 1,968,962 | \$ 1,906,985 | \$ 1,880,691 |
| City's net pension liability as a percentage of covered payroll | 800.84% | 898.22% | 695.38% | 604.27% | 864.28% | 732.61% | 633.30% | 646.51% | 644.31% |

* Plan fiduciary net position, beginning was restated during the Year due to correction of errors.

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Firefighters' Pension Fund
Schedule of Employer Contributions
Last Nine Years**

| Fiscal Year Ended April 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a Percentage of Covered Payroll |
|-----------------------------------|-------------------------------------------|------------------------|----------------------------------------|--------------------|-----------------------------------------------------------------|
| 2024 | \$ 1,193,686 | \$ 961,479 | \$ 232,207 | \$ 2,073,022 | 46.38% |
| 2023 | 1,085,544 | 1,083,607 | 1,937 | 2,023,200 | 53.56% |
| 2022 | 1,230,511 | 1,230,511 | - | 2,008,609 | 61.26% |
| 2021 | 1,193,514 | 1,185,567 | 7,947 | 1,945,384 | 60.94% |
| 2020 | 1,101,209 | 1,102,789 | (1,580) | 1,894,708 | 58.20% |
| 2019 | 954,479 | 965,697 | (11,218) | 2,029,652 | 47.58% |
| 2018 | 919,271 | 970,825 | (51,554) | 1,968,962 | 49.31% |
| 2017 | 766,433 | 763,136 | 3,297 | 1,906,985 | 40.02% |
| 2016 | 707,498 | 751,183 | (43,685) | 1,880,691 | 39.94% |

Notes to Schedule

The Actuarially Determined Contribution shown above for the current year is the Statutory Minimum Contribution from the May 1, 2023 Actuarial Valuation completed by the Illinois Firefighters' Pension Investment Fund for the December 2023 tax levy, if applicable. The methods and assumptions shown below are based on the same Actuarial Valuation. For more detail on the age-based and service-based rates disclosed below, please see the Actuarial Valuation.

| | |
|----------------------------------------|-----------------------------------------------------------------|
| Actuarial cost method | Projected unit credit |
| Amortization method | Level % pay (closed) |
| Equivalent single amortization period | 90% funded over 17 years |
| Asset valuation method | 5-year smoothed fair value |
| Inflation | 2.25% |
| Total payroll increases | 2.75% |
| Individual pay increases | 4.00% - 12.50% |
| Expected rate of return on investments | 7.125% |
| Mortality rates | PubS-2010 adjusted for plan status & demographics, as described |
| Retirement rates | IFPIF Actuarial Experience Study Dated December 1, 2021 |
| Termination rates | IFPIF Actuarial Experience Study Dated December 1, 2021 |
| Disability rates | IFPIF Actuarial Experience Study Dated December 1, 2021 |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

City of Mt. Vernon, Illinois
Required Supplementary Information
For the Year Ended April 30, 2024

Firefighters' Pension Fund
Schedule of Investment Returns
Last Ten Years

| Year Ended April 30, | Annual Money-Weighted Rate of Return, Net of Investment Expense |
|-------------------------|--------------------------------------------------------------------|
| 2024 | 8.22% |
| 2023 | 4.09% |
| 2022 | (6.68%) |
| 2021 | 37.57% |
| 2020 | (13.07%) |
| 2019 | 1.69% |
| 2018 | 7.54% |
| 2017 | 11.84% |
| 2016 | (2.61%) |
| 2015 | 4.32% |

Other Post Employment Benefit Plans
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios

Measurement Date April 30,

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------------------------------------------------------------------|----------------------|----------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
| Total OPEB liability | | | | | | | | | |
| Service Cost | \$ 152,141 | \$ 148,822 | \$ 165,297 | \$ 199,887 | \$ 155,342 | \$ 144,639 | \$ 29,323 | \$ 17,847 | \$ 21,478 |
| Interest | 276,409 | 193,122 | 165,319 | 262,155 | 345,406 | 369,177 | (35,118) | (21,417) | (1,837) |
| Amortization | - | - | - | - | - | - | 819,686 | 788,228 | 603,912 |
| Differences between expected and actual experience | - | 2,236,733 | - | (2,652,753) | - | - | - | - | - |
| Changes in assumptions | (309,847) | (141,968) | (999,395) | (46,150) | 1,450,769 | 124,238 | - | - | - |
| Benefit payments | (669,536) | (575,831) | (619,617) | (822,014) | (819,229) | (836,148) | (1,053,259) | (1,128,931) | (892,316) |
| Net change in total pension liability | (550,833) | 1,860,878 | (1,288,396) | (3,058,875) | 1,132,288 | (198,094) | (239,368) | (344,273) | (268,763) |
| Total OPEB liability - beginning | 8,165,057 | 6,304,179 | 7,592,575 | 10,651,450 | 9,519,162 | 9,717,256 | 9,956,624 | 10,300,897 | 10,569,660 |
| Total OPEB liability - ending (A) | \$ 7,614,224 | \$ 8,165,057 | \$ 6,304,179 | \$ 7,592,575 | \$ 10,651,450 | \$ 9,519,162 | \$ 9,717,256 | \$ 9,956,624 | \$ 10,300,897 |
| Covered valuation payroll | \$ 10,803,691 | \$ 10,489,020 | \$ 8,985,152 | \$ 8,744,673 | \$ 7,773,800 | \$ 7,565,742 | \$ 8,503,444 | \$ 8,911,487 | \$ 9,588,643 |
| Total OPEB Liability as a percentage of covered valuation payroll | 70.48% | 77.84% | 70.16% | 86.83% | 137.02% | 125.82% | 114.27% | 111.73% | 107.43% |

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

SUPPLEMENTARY INFORMATION

City of Mt. Vernon, Illinois
Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2024
Schedule 1

| | Convention and Visitor's Bureau | Rt 15 and I-57 TIF | Industrial Park Construction TIF | Pension Sales Tax | General Corporate Capital | Motor Fuel Tax | Downtown TIF | Total |
|----------------------------------------------------------------------------|------------------------------------|-----------------------|----------------------------------------|----------------------|---------------------------------|---------------------|---------------------|----------------------|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 302,378 | \$ 344,111 | \$ 503,007 | \$ 2,615,239 | \$ 3,572,796 | \$ 1,125,918 | \$ 693,398 | \$ 9,156,847 |
| Receivables | | | | | | | | |
| Accounts, net | 51,032 | - | - | - | - | - | 1,600 | 52,632 |
| Property and replacement taxes | - | 357,836 | 556,583 | 741,032 | - | - | 553,644 | 2,209,095 |
| Prepaid expenses | 140 | - | - | - | - | - | - | 140 |
| Due from other governments | - | - | - | 314,476 | 328,206 | 51,871 | - | 694,553 |
| Inventories | 1,380 | - | - | - | - | - | - | 1,380 |
| Total assets | <u>\$ 354,930</u> | <u>\$ 701,947</u> | <u>\$ 1,059,590</u> | <u>\$ 3,670,747</u> | <u>\$ 3,901,002</u> | <u>\$ 1,177,789</u> | <u>\$ 1,248,642</u> | <u>\$ 12,114,647</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts payable and accrued expenses | 79,834 | - | - | - | 11,857 | - | 183,017 | 274,708 |
| Due to other funds | - | - | - | - | - | - | 250,000 | 250,000 |
| Unearned revenue | 225 | - | - | - | - | - | - | 225 |
| Total liabilities | <u>80,059</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>11,857</u> | <u>-</u> | <u>433,017</u> | <u>524,933</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable revenue | <u>-</u> | <u>357,836</u> | <u>556,583</u> | <u>849,829</u> | <u>-</u> | <u>-</u> | <u>553,644</u> | <u>2,317,892</u> |
| FUND BALANCES | | | | | | | | |
| Nonspendable | 1,520 | - | - | - | - | - | - | 1,520 |
| Restricted: | | | | | | | | |
| Public works | - | - | - | - | - | 1,177,789 | - | 1,177,789 |
| Community development | - | 344,111 | 503,007 | - | - | - | 261,981 | 1,109,099 |
| Culture and recreation | 273,351 | - | - | - | - | - | - | 273,351 |
| Capital projects | - | - | - | - | 3,889,145 | - | - | 3,889,145 |
| Committed - pension sales tax | - | - | - | 2,820,918 | - | - | - | 2,820,918 |
| Total fund balances | <u>274,871</u> | <u>344,111</u> | <u>503,007</u> | <u>2,820,918</u> | <u>3,889,145</u> | <u>1,177,789</u> | <u>261,981</u> | <u>9,271,822</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u>\$ 354,930</u> | <u>\$ 701,947</u> | <u>\$ 1,059,590</u> | <u>\$ 3,670,747</u> | <u>\$ 3,901,002</u> | <u>\$ 1,177,789</u> | <u>\$ 1,248,642</u> | <u>\$ 12,114,647</u> |

City of Mt. Vernon, Illinois
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended April 30, 2024
Schedule 2

| | Convention and Visitor's Bureau | Rt 15 and I-57 TIF | Industrial Park Construction TIF | Pension Sales Tax | General Corporate Capital | Motor Fuel Tax | Downtown TIF | Total |
|--------------------------------------------------------------|---------------------------------------|-----------------------|-------------------------------------|----------------------|---------------------------------|-------------------|-----------------|--------------|
| REVENUES | | | | | | | | |
| Sales taxes | \$ - | \$ - | \$ - | \$ 1,322,317 | \$ 1,867,884 | \$ - | \$ - | \$ 3,190,201 |
| Motor fuel taxes | - | - | - | - | - | 640,591 | - | 640,591 |
| Hotel/motel taxes | 577,402 | - | - | - | - | - | - | 577,402 |
| Property taxes | - | 357,836 | 556,527 | 743,225 | - | - | 553,645 | 2,211,233 |
| Grants and contributions | 149,381 | - | - | 156,416 | 213,869 | - | - | 519,666 |
| Interest and investment income | 3,939 | 22,235 | 33,258 | - | 168,076 | 85,940 | 39,016 | 352,464 |
| Charges for services | 2,541 | - | - | - | - | - | 37,882 | 40,423 |
| Miscellaneous | 822 | - | - | - | - | - | - | 822 |
| Total revenues | 734,085 | 380,071 | 589,785 | 2,221,958 | 2,249,829 | 726,531 | 630,543 | 7,532,802 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | 29,561 | 125,943 | 70 | - | 155,574 |
| Public works | - | - | - | - | - | 361,422 | - | 361,422 |
| Culture and recreation | 722,769 | - | - | - | - | - | - | 722,769 |
| Community development | - | 300,579 | 286,554 | - | - | - | 483,003 | 1,070,136 |
| Capital outlay | 80,919 | - | - | - | 2,460,383 | 619,742 | - | 3,161,044 |
| Debt service: | | | | | | | | |
| Principal | 17,687 | - | 322,174 | - | 833,312 | - | 45,000 | 1,218,173 |
| Interest and fiscal charges | 1,315 | - | 5,033 | - | 343,066 | - | 17,600 | 367,014 |
| Total expenditures | 822,690 | 300,579 | 613,761 | 29,561 | 3,762,704 | 981,234 | 545,603 | 7,056,132 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (88,605) | 79,492 | (23,976) | 2,192,397 | (1,512,875) | (254,703) | 84,940 | 476,670 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in (out) | 26,126 | - | - | (1,253,209) | 4,000,000 | - | - | 2,772,917 |
| Other financing source - lease | 80,919 | - | - | - | - | - | - | 80,919 |
| Total other financing sources (uses) | 107,045 | - | - | (1,253,209) | 4,000,000 | - | - | 2,853,836 |
| NET CHANGE IN FUND BALANCES | 18,440 | 79,492 | (23,976) | 939,188 | 2,487,125 | (254,703) | 84,940 | 3,330,506 |
| FUND BALANCES - BEGINNING OF YEAR | 256,431 | 264,619 | 526,983 | 1,881,730 | 1,402,020 | 1,432,492 | 177,041 | 5,941,316 |
| FUND BALANCES - END OF YEAR | \$ 274,871 | \$ 344,111 | \$ 503,007 | \$ 2,820,918 | \$ 3,889,145 | \$ 1,177,789 | \$ 261,981 | \$ 9,271,822 |

City of Mt. Vernon, Illinois
Nonmajor Governmental Funds
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended April 30, 2024
Schedule 3

| | Convention and Visitor's Bureau | | | | Rt 15 and I-57 TIF | | | |
|--------------------------------------------------------------|---------------------------------|---------------------|-------------------|-------------------------------------------------------------|--------------------|---------------------|-------------------|-------------------------------------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Sales taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Motor fuel taxes | - | - | - | - | - | - | - | - |
| Hotel/motel taxes | 638,210 | 638,210 | 577,402 | (60,808) | - | - | - | - |
| Property taxes | 33,688 | 33,688 | - | (33,688) | 330,000.00 | - | 357,836 | 357,836 |
| Grants and contributions | 171,232 | 171,232 | 149,381 | (21,851) | - | - | - | - |
| Investment income | 150 | 150 | 3,939 | 3,789 | 400 | 400 | 22,235 | 21,835 |
| Charges for services | 5,900 | 5,900 | 2,541 | (3,359) | - | - | - | - |
| Miscellaneous | 5,800 | 5,800 | 822 | (4,978) | - | - | - | - |
| Total revenues | 854,980 | 854,980 | 734,085 | (120,895) | 330,400 | 400 | 380,071 | 379,671 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - | - | - |
| Culture and recreation | 1,223,472 | 1,268,472 | 722,769 | 545,703 | - | - | - | - |
| Community development | - | - | - | - | 342,400 | 342,400 | 300,579 | 41,821 |
| Capital outlay | - | - | 80,919 | (80,919) | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal | 10,783 | 10,783 | 17,687 | (6,904) | - | - | - | - |
| Interest and fiscal charges | 836 | 836 | 1,315 | (479) | - | - | - | - |
| Total disbursements | 1,235,091 | 1,280,091 | 822,690 | 457,401 | 342,400 | 342,400 | 300,579 | 41,821 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (380,111) | (425,111) | (88,605) | 336,506 | (12,000) | (342,000) | 79,492 | 421,492 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in (out) | 25,684 | 25,684 | 26,126 | 442 | - | - | - | - |
| Other financing source - lease | - | - | 80,919 | 80,919 | - | - | - | - |
| Total other financing sources (uses) | 25,684 | 25,684 | 107,045 | 81,361 | - | - | - | - |
| NET CHANGE IN FUND BALANCES | <u>\$ (354,427)</u> | <u>\$ (399,427)</u> | 18,440 | <u>\$ 417,867</u> | <u>\$ (12,000)</u> | <u>\$ (342,000)</u> | 79,492 | <u>\$ 421,492</u> |
| FUND BALANCES (DEFICIT) - BEGINNING OF YEAR | | | 256,431 | | | | 264,619 | |
| FUND BALANCES - END OF YEAR | | | <u>\$ 274,871</u> | | | | <u>\$ 344,111</u> | |

City of Mt. Vernon, Illinois
Nonmajor Governmental Funds
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended April 30, 2024
Schedule 3 (Continued)

| | Industrial Park Construction TIF | | | | Pension Sales Tax | | | |
|--------------------------------------------------------------|----------------------------------|---------------------|-------------------|-------------------------------------------------------------|-------------------|-------------------|---------------------|-------------------------------------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Favorable (Unfavorable) |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Sales taxes | \$ - | \$ - | \$ - | \$ - | \$ 1,053,049 | \$ 1,053,049 | \$ 1,322,317 | \$ 269,268 |
| Motor fuel taxes | - | - | - | - | - | - | - | - |
| Hotel/motel taxes | - | - | - | - | - | - | - | - |
| Property taxes | 556,583 | 556,583 | 556,527 | (56) | 741,000 | 741,000 | 743,225 | 2,225 |
| Grants and contributions | - | - | - | - | - | - | 156,416 | 156,416 |
| Investment income | 1,573 | 1,573 | 33,258 | 31,685 | 9,500 | 9,500 | - | (9,500) |
| Charges for services | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - |
| Total revenues | 558,156 | 558,156 | 589,785 | 31,629 | 1,803,549 | 1,803,549 | 2,221,958 | 418,409 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | 25,000 | 25,000 | 29,561 | (4,561) |
| Public works | - | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - | - |
| Community development | 399,654 | 399,654 | 286,554 | 113,100 | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal | 322,174 | 322,174 | 322,174 | - | - | - | - | - |
| Interest and fiscal charges | 8,965 | 8,965 | 5,033 | 3,932 | - | - | - | - |
| Total disbursements | 730,793 | 730,793 | 613,761 | 117,032 | 25,000 | 25,000 | 29,561 | (4,561) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (172,637) | (172,637) | (23,976) | 148,661 | 1,778,549 | 1,778,549 | 2,192,397 | 413,848 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in (out) | - | - | - | - | (1,266,849) | (1,266,849) | (1,253,209) | 13,640 |
| Other financing source - lease | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | (1,266,849) | (1,266,849) | (1,253,209) | 13,640 |
| NET CHANGE IN FUND BALANCES | <u>\$ (172,637)</u> | <u>\$ (172,637)</u> | (23,976) | <u>\$ 148,661</u> | <u>\$ 511,700</u> | <u>\$ 511,700</u> | 939,188 | <u>\$ 427,488</u> |
| FUND BALANCES (DEFICIT) - BEGINNING OF YEAR | | | 526,983 | | | | 1,881,730 | |
| FUND BALANCES - END OF YEAR | | | <u>\$ 503,007</u> | | | | <u>\$ 2,820,918</u> | |

City of Mt. Vernon, Illinois
Nonmajor Governmental Funds
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended April 30, 2024
Schedule 3 (Continued)

| | General Corporate Capital | | | | Motor Fuel Tax | | | |
|--------------------------------------------------------------|---------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| | Budgeted Amounts | | Actual | Variance with | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts | Final Budget | Original | Final | Amounts | Final Budget |
| | | | | Favorable | | | | Favorable |
| | | | | (Unfavorable) | | | | (Unfavorable) |
| REVENUES | | | | | | | | |
| Sales taxes | \$ 1,365,500 | \$ 1,365,500 | \$ 1,867,884 | \$ 502,384 | \$ - | \$ - | \$ - | \$ - |
| Motor fuel taxes | - | - | - | - | 625,615 | 625,615 | 640,591 | 14,976 |
| Hotel/motel taxes | - | - | - | - | - | - | - | - |
| Property taxes | - | - | - | - | - | - | - | - |
| Grants and contributions | - | - | 213,869 | 213,869 | 167,803 | 167,803 | - | (167,803) |
| Investment income | 5,000 | 5,000 | 168,076 | 163,076 | 4,000 | 4,000 | 85,940 | 81,940 |
| Charges for services | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - |
| Total revenues | 1,370,500 | 1,370,500 | 2,249,829 | 879,329 | 797,418 | 797,418 | 726,531 | (70,887) |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | 6,466,300 | 6,466,300 | 125,943 | 6,340,357 | - | - | 70 | (70) |
| Public works | - | - | - | - | 1,672,200 | 1,672,200 | 361,422 | 1,310,778 |
| Culture and recreation | - | - | - | - | - | - | - | - |
| Community development | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | 2,460,383 | (2,460,383) | - | - | 619,742 | (619,742) |
| Debt service: | | | | | | | | |
| Principal | 833,312 | 833,312 | 833,312 | - | - | - | - | - |
| Interest and fiscal charges | 436,696 | 436,696 | 343,066 | 93,630 | - | - | - | - |
| Total disbursements | 7,736,308 | 7,736,308 | 3,762,704 | 3,973,604 | 1,672,200 | 1,672,200 | 981,234 | 690,966 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (6,365,808) | (6,365,808) | (1,512,875) | 4,852,933 | (874,782) | (874,782) | (254,703) | 620,079 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in (out) | 4,000,000 | 4,000,000 | 4,000,000 | - | - | - | - | - |
| Other financing source - lease | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 4,000,000 | 4,000,000 | 4,000,000 | - | - | - | - | - |
| NET CHANGE IN FUND BALANCES | <u>\$ (2,365,808)</u> | <u>\$ (2,365,808)</u> | 2,487,125 | <u>\$ 4,852,933</u> | <u>\$ (874,782)</u> | <u>\$ (874,782)</u> | (254,703) | <u>\$ 620,079</u> |
| FUND BALANCES (DEFICIT) - BEGINNING OF YEAR | | | 1,402,020 | | | | 1,432,492 | |
| FUND BALANCES - END OF YEAR | | | <u>\$ 3,889,145</u> | | | | <u>\$ 1,177,789</u> | |

City of Mt. Vernon, Illinois
Nonmajor Governmental Funds
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended April 30, 2024
Schedule 3 (Continued)

| | TIF Downtown | | | | Total Nonmajor Governmental Funds | | | |
|--------------------------------------------------------------|------------------|-----------|------------|---------------|-----------------------------------|----------------|--------------|---------------|
| | Budgeted Amounts | | Actual | Variance with | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | Amounts | Final Budget | Original | Final | Amounts | Final Budget |
| | | | | Favorable | | | | Favorable |
| | | | | (Unfavorable) | | | | (Unfavorable) |
| REVENUES | | | | | | | | |
| Sales taxes | \$ - | \$ - | \$ - | \$ - | \$ 2,418,549 | \$ 2,418,549 | \$ 3,190,201 | \$ 771,652 |
| Motor fuel taxes | - | - | - | - | 625,615 | 625,615 | 640,591 | 14,976 |
| Hotel/motel taxes | - | - | - | - | 638,210 | 638,210 | 577,402 | (60,808) |
| Property taxes | 470,362 | 470,362 | 553,645 | 83,283 | 2,131,633 | 1,801,633 | 2,211,233 | 409,600 |
| Grants and contributions | - | - | - | - | 339,035 | 339,035 | 519,666 | 180,631 |
| Investment income | - | - | 39,016 | 39,016 | 20,623 | 20,623 | 352,464 | 331,841 |
| Charges for services | 37,882 | 37,882 | 37,882 | - | 43,782 | 43,782 | 40,423 | (3,359) |
| Miscellaneous | 2,300,000 | 2,300,000 | - | (2,300,000) | 2,305,800 | 2,305,800 | 822 | (2,304,978) |
| Total revenues | 2,808,244 | 2,808,244 | 630,543 | (2,177,701) | 8,523,247 | 8,193,247 | 7,532,802 | (660,445) |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | 6,491,300 | 6,491,300 | 155,574 | (6,335,726) |
| Public works | - | - | - | - | 1,672,200 | 1,672,200 | 361,422 | (1,310,778) |
| Culture and recreation | - | - | - | - | 1,223,472 | 1,268,472 | 722,769 | (545,703) |
| Community development | 2,746,977 | 2,746,977 | 483,003 | 2,263,974 | 3,489,031 | 3,489,031 | 1,070,136 | (2,418,895) |
| Capital outlay | - | - | - | - | - | - | 3,161,044 | 3,161,044 |
| Debt service: | | | | | | | | |
| Principal | 45,000 | 45,000 | 45,000 | - | 1,211,269 | 1,211,269 | 1,218,173 | 6,904 |
| Interest and fiscal charges | 16,267 | 16,267 | 17,600 | (1,333) | 462,764 | 462,764 | 367,014 | (95,750) |
| Total disbursements | 2,808,244 | 2,808,244 | 545,603 | 2,262,641 | 14,550,036 | 14,595,036 | 7,056,132 | (7,538,904) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | - | 84,940 | 84,940 | (6,026,789) | (6,401,789) | 476,670 | 6,878,459 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in (out) | - | - | - | - | 2,758,835 | 2,758,835 | 2,772,917 | 14,082 |
| Other financing source - lease | - | - | - | - | - | - | 80,919 | 80,919 |
| Total other financing sources (uses) | - | - | - | - | 2,758,835 | 2,758,835 | 2,853,836 | 95,001 |
| NET CHANGE IN FUND BALANCES | \$ - | \$ - | 84,940 | \$ 84,940 | \$ (3,267,954) | \$ (3,642,954) | 3,330,506 | \$ 6,973,460 |
| FUND BALANCES (DEFICIT) - BEGINNING OF YEAR | | | 177,041 | | | | 5,941,316 | |
| FUND BALANCES - END OF YEAR | | | \$ 261,981 | | | | \$ 9,271,822 | |

City of Mt. Vernon, Illinois
Fiduciary Funds
Combining Statement of Fiduciary Net Position
April 30, 2024
Schedule 4

| | Pension Trust Funds | | |
|---------------------------------------------------------------------------------------|----------------------------|----------------------------------|---------------|
| | Police Pension | Firefighters' Pension | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 419,102 | \$ 1,061,127 | \$ 1,480,229 |
| Investments, at fair value: | | | |
| Investments held in the Illinois Police Officers' Pension Investment Fund (IPOPIF) | 21,276,825 | - | 21,276,825 |
| Investments held in the Illinois Firefigters' Pension Investment Fund (IFPIF) | - | 17,731,304 | 17,731,304 |
| Total investments | 21,276,825 | 17,731,304 | 39,008,129 |
| Receivables | | | |
| Accounts | 140 | - | 140 |
| Property and replacement taxes, net | 895,200 | 954,500 | 1,849,700 |
| Interest and dividends | 34,535 | - | 34,535 |
| Total receivables | 929,875 | 954,500 | 1,884,375 |
| Total assets | 22,625,802 | 19,746,931 | 42,372,733 |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | 160,372 | 136,697 | 297,069 |
| Due to other funds | 2,084 | 1,369 | 3,453 |
| Total liabilities | 162,456 | 138,066 | 300,522 |
| NET POSITION | | | |
| Restricted for pension benefits | \$ 22,463,346 | \$ 19,608,865 | \$ 42,072,211 |

City of Mt. Vernon, Illinois
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended April 30, 2024
Schedule 5

| | Pension Trust Funds | | |
|-----------------------------------------------|--------------------------------|---------------------------------------|----------------------|
| | Police Pension Fund | Firefighters' Pension Fund | Total |
| ADDITIONS | | | |
| Contributions | | | |
| Employer, property taxes | \$ 485,425 | \$ 961,479 | \$ 1,446,904 |
| Employer, transfers from other funds | 416,312 | - | 416,312 |
| Employees | 271,708 | 204,755 | 476,463 |
| Total contributions | 1,173,445 | 1,166,234 | 2,339,679 |
| Investment income | | | |
| Net appreciation in fair value of investments | 1,487,308 | 1,327,392 | 2,814,700 |
| Interest and dividends | 159,947 | 383,593 | 543,540 |
| Gain on sale of investments | 304,670 | 60,071 | 364,741 |
| Total investment income | 1,951,925 | 1,771,056 | 3,722,981 |
| Investment expense | (11,573) | (17,369) | (28,942) |
| Net investment income | 1,940,352 | 1,753,687 | 3,694,039 |
| Total additions | 3,113,797 | 2,919,921 | 6,033,718 |
| DEDUCTIONS | | | |
| Pensions paid to plan participants | 1,924,459 | 1,577,664 | 3,502,123 |
| Refunds of contributions | 35,797 | - | 35,797 |
| Administrative expenses | 18,598 | 8,189 | 26,787 |
| Total deductions | 1,978,854 | 1,585,853 | 3,564,707 |
| CHANGE IN FIDUCIARY NET POSITION | 1,134,943 | 1,334,068 | 2,469,011 |
| NET POSITION - BEGINNING OF YEAR | 21,328,403 | 18,274,797 | 39,603,200 |
| NET POSITION - END OF YEAR | <u>\$ 22,463,346</u> | <u>\$ 19,608,865</u> | <u>\$ 42,072,211</u> |

STATISTICAL SECTION

**Net position by Component
Last Ten Fiscal Years**

| Fiscal Year | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | | | | | |
| Net investment in capital assets | \$ 31,188,882 | \$ 23,989,945 | \$ 21,864,955 | \$ 20,643,491 | \$ 27,404,960 | \$ 25,866,187 | \$ 27,827,996 | \$ 24,514,049 | \$ 25,773,969 | \$ 24,721,544 |
| Restricted | 6,704,075 | 4,312,897 | 2,132,005 | 1,531,212 | 830,592 | 835,197 | 715,220 | 535,423 | 280,821 | 309,864 |
| Unrestricted | (3,243,541) | (2,412,946) | 1,892,936 | (10,440,420) | (23,103,920) | (22,205,995) | (26,906,774) | (14,531,333) | (16,298,143) | (12,556,599) |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 34,649,416 | \$ 25,889,896 | \$ 25,889,896 | \$ 11,734,283 | \$ 5,131,632 | \$ 4,495,389 | \$ 1,636,442 | \$ 10,518,139 | \$ 9,756,647 | \$ 12,474,809 |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | | | |
| Net investment in capital assets | \$ 26,165,618 | \$ 24,433,449 | \$ 23,744,776 | \$ 21,582,827 | \$ 18,584,264 | \$ 15,808,000 | \$ 13,907,047 | \$ 13,021,239 | \$ 11,332,152 | \$ 10,272,293 |
| Unrestricted | 7,529,110 | 6,038,883 | 6,727,556 | 1,722,679 | 1,378,029 | 556,209 | (682,786) | 782,523 | 1,401,937 | 2,804,602 |
| TOTAL BUSINESS-TYPE ACTIVITIES | \$ 33,694,728 | \$ 30,472,332 | \$ 30,472,332 | \$ 23,305,506 | \$ 19,962,293 | \$ 16,364,209 | \$ 13,224,261 | \$ 13,803,762 | \$ 12,734,089 | \$ 13,076,895 |
| PRIMARY GOVERNMENT | | | | | | | | | | |
| Net investment in capital assets | \$ 57,354,500 | \$ 48,423,394 | \$ 45,609,731 | \$ 42,226,318 | \$ 45,989,224 | \$ 41,674,187 | \$ 41,735,043 | \$ 37,535,288 | \$ 37,106,121 | \$ 34,993,837 |
| Restricted | 6,704,075 | 4,312,897 | 2,132,005 | 1,531,212 | 830,592 | 835,197 | 715,220 | 535,423 | 280,821 | 309,864 |
| Unrestricted | 4,285,569 | 3,625,937 | 8,620,492 | (8,717,741) | (21,725,891) | (21,649,786) | (27,589,560) | (13,748,810) | (14,896,206) | (9,751,997) |
| TOTAL PRIMARY GOVERNMENT | \$ 68,344,144 | \$ 56,362,228 | \$ 56,362,228 | \$ 35,039,789 | \$ 25,093,925 | \$ 20,859,598 | \$ 14,860,703 | \$ 24,321,901 | \$ 22,490,736 | \$ 25,551,704 |

City of Mt. Vernon, Illinois
Statistical Section
For the Year Ended April 30, 2024

**Changes in Net position
Last Ten Fiscal Years**

| Fiscal Year | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| EXPENSES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 15,571,078 | \$ 13,613,320 | \$ 6,762,723 | \$ 6,763,890 | \$ 6,913,236 | \$ 5,850,037 | \$ 5,403,819 | \$ 4,814,075 | \$ 5,837,478 | \$ 4,681,709 |
| Public safety | 9,621,409 | 9,282,151 | 8,956,903 | 7,483,020 | 10,280,823 | 9,860,590 | 9,847,174 | 8,557,584 | 9,300,622 | 8,059,379 |
| Public works | 2,107,489 | 2,643,047 | 1,917,993 | 1,984,409 | 2,000,887 | 2,009,913 | 2,045,219 | 1,976,810 | 2,481,469 | 2,344,768 |
| Engineering services | - | - | 281,181 | 343,731 | 418,292 | 396,170 | 465,543 | 474,860 | 596,213 | 620,769 |
| Culture and recreation | 722,769 | 1,105,741 | 1,365,774 | 1,072,187 | 1,624,188 | 1,646,158 | 1,606,812 | 1,471,573 | 1,855,666 | 1,693,291 |
| Community development | 1,070,136 | 1,039,714 | 1,538,312 | 1,621,145 | 1,560,610 | 1,192,181 | 2,785,122 | 1,057,118 | 933,660 | 569,574 |
| Interest on long-term debt | 828,771 | 914,134 | 944,949 | 467,366 | 1,053,218 | 1,112,911 | 1,179,838 | 1,175,717 | 1,218,555 | 1,215,898 |
| Capital outlay | 1,716,081 | 54,917 | - | - | - | - | - | - | - | - |
| Total governmental activities | 31,637,733 | 28,653,024 | 21,767,835 | 19,735,748 | 23,851,254 | 22,067,960 | 23,333,527 | 19,527,737 | 22,223,663 | 19,185,388 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer funds | 9,242,837 | 9,098,926 | 7,803,628 | 8,022,185 | 8,574,871 | 7,933,301 | 9,022,406 | 8,372,167 | 8,548,196 | 8,171,899 |
| Sanitation | 1,324,527 | 1,274,999 | 1,193,194 | 1,187,522 | 1,168,396 | 1,103,621 | 1,065,689 | 1,152,757 | 1,119,734 | 1,076,232 |
| Total business-type activities | 10,567,364 | 10,373,925 | 8,996,822 | 9,209,707 | 9,743,267 | 9,036,922 | 10,088,095 | 9,524,924 | 9,667,930 | 9,248,131 |
| Total primary government expenses | 42,205,097 | 39,026,949 | 30,764,657 | 28,945,455 | 33,594,521 | 31,104,882 | 33,421,622 | 29,052,661 | 31,891,593 | 28,433,519 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | 3,393,577 | 2,892,564 | 288,593 | 1,142,864 | 589,028 | 738,941 | 873,518 | 397,706 | 136,201 | 127,338 |
| Public safety | 423,221 | 394,410 | 411,882 | 238,396 | 373,594 | 293,455 | 228,379 | 240,197 | 276,220 | 360,095 |
| Culture and recreation | 2,541 | 27,120 | 389,936 | 140,710 | 461,720 | 517,467 | 525,816 | 517,723 | 520,606 | 503,125 |
| Community development | 37,882 | 37,882 | 43,232 | 41,956 | 3,928 | 6,601 | 1,034 | 2,104 | 2,202 | 1,873 |
| Operating grants and contributions | 848,699 | 2,427,447 | 1,590,712 | 2,023,636 | 1,758,192 | 2,537,141 | 3,125,390 | 1,442,160 | 872,375 | 798,982 |
| Total governmental activities | 4,705,920 | 5,779,423 | 2,724,355 | 3,587,562 | 3,186,462 | 4,093,605 | 4,754,137 | 2,599,890 | 1,807,604 | 1,791,413 |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water and sewer funds | 9,338,500 | 8,842,134 | 8,608,201 | 8,259,136 | 8,307,424 | 8,405,282 | 9,142,518 | 8,964,347 | 7,861,945 | 7,795,801 |
| Sanitation | 1,389,269 | 1,289,215 | 1,132,313 | 1,155,249 | 1,149,468 | 1,158,517 | 1,164,024 | 1,172,550 | 1,025,493 | 1,023,647 |
| Operating grants and contributions | 307,411 | 1,266,132 | 788,886 | 1,011,684 | 1,835,270 | - | 2,560 | 3,640 | 14,779 | 4,300 |
| Total business-type activities | 11,035,180 | 11,397,481 | 10,529,400 | 10,426,069 | 11,292,162 | 9,563,799 | 10,309,102 | 10,140,537 | 8,902,217 | 8,823,748 |
| Total primary government program revenues | \$ 15,741,100 | \$ 17,176,904 | \$ 13,253,755 | \$ 14,013,631 | \$ 14,478,624 | \$ 13,657,404 | \$ 15,063,239 | \$ 12,740,427 | \$ 10,709,821 | \$ 10,615,161 |

City of Mt. Vernon, Illinois
Statistical Section
For the Year Ended April 30, 2024

| Fiscal Year | Changes in Net position Last Ten Fiscal Years | | | | | | | | | |
|--------------------------------------------------------|--------------------------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| NET EXPENSE (REVENUE) | | | | | | | | | | |
| Governmental activities | \$ (26,931,813) | \$ (22,873,601) | \$ (19,043,480) | \$ (16,148,186) | \$ (20,664,792) | \$ (17,974,355) | \$ (18,579,390) | \$ (16,927,847) | \$ (20,416,059) | \$ (17,393,975) |
| Business-type activities | 467,816 | 1,023,556 | 1,532,578 | 1,216,362 | 1,548,895 | 526,877 | 221,007 | 615,613 | (765,713) | (424,383) |
| Total primary government net expense | <u>(26,463,997)</u> | <u>(21,850,045)</u> | <u>(17,510,902)</u> | <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> |
| GENERAL REVENUES (EXPENSES) | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | 34,557,177 | 33,236,380 | 29,849,193 | 24,858,213 | 23,141,703 | 22,958,286 | 19,175,706 | 17,688,171 | 17,975,370 | 17,785,947 |
| Licenses, fines, fees and permits | 500,624 | 570,354 | 169,000 | 4,500 | 15,421 | 24,848 | 8,592 | 12,675 | 18,958 | 49,077 |
| Interest and investment income | 2,191,500 | 1,042,913 | 96,179 | 91,633 | 286,223 | 291,059 | 269,453 | 124,252 | 47,746 | (227,299) |
| Gain (loss) on asset disposals | (202,054) | (2,789,283) | 1,740 | 212,390 | (520) | 9,525 | 9,655 | 138,223 | (6,603) | 27,114 |
| Miscellaneous and others | 1,571,453 | 55,253 | 76,238 | 71,805 | 75,986 | 92,824 | 88,399 | 167,831 | 79,486 | 62,773 |
| Transfers in (out) | (2,927,367) | (2,506,564) | (3,304,719) | (2,487,704) | (2,217,778) | (2,543,240) | (753,949) | (441,826) | (417,060) | (308,033) |
| Total governmental activities | <u>35,691,333</u> | <u>29,609,053</u> | <u>26,887,631</u> | <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> |
| Business-type activities: | | | | | | | | | | |
| Property taxes levied for employee benefits | - | - | - | 38,200 | 37,806 | 37,820 | 37,869 | - | - | - |
| Gain (loss) on asset disposals | - | (775,788) | - | 26,180 | - | - | - | 3,082 | - | - |
| Interest and investment income | 172,522 | (233,278) | 22,108 | 4,805 | 11,232 | 32,011 | 19,623 | 9,152 | 4,899 | (24,429) |
| Miscellaneous | 71,003 | 63,076 | - | - | - | - | - | - | 948 | (577) |
| Transfers in (out) | 2,511,055 | 2,305,898 | 2,842,208 | 2,057,666 | 2,000,151 | 2,543,240 | 753,949 | 441,826 | 417,060 | 308,033 |
| Total business-type activities | <u>2,754,580</u> | <u>1,359,908</u> | <u>2,864,316</u> | <u>2,126,851</u> | <u>2,049,189</u> | <u>2,613,071</u> | <u>811,441</u> | <u>454,060</u> | <u>422,907</u> | <u>283,027</u> |
| Total primary government general revenues | <u>38,445,913</u> | <u>30,968,961</u> | <u>29,751,947</u> | <u>24,877,688</u> | <u>23,350,224</u> | <u>23,446,373</u> | <u>19,609,297</u> | <u>18,143,386</u> | <u>18,120,804</u> | <u>17,672,606</u> |
| CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental activities | 8,759,520 | 6,735,452 | 7,844,151 | 6,602,651 | 636,243 | 2,858,947 | 218,466 | 761,479 | (2,718,162) | (4,396) |
| Business-type activities | 3,222,396 | 2,383,464 | 4,396,894 | 3,343,213 | 3,598,084 | 3,139,948 | 1,032,448 | 1,069,673 | (342,806) | (141,356) |
| Total primary government change in net position | <u>\$ 11,981,916</u> | <u>\$ 9,118,916</u> | <u>\$ 12,241,045</u> | <u>\$ 9,945,864</u> | <u>\$ 4,234,327</u> | <u>\$ 5,998,895</u> | <u>\$ 1,250,914</u> | <u>\$ 1,831,152</u> | <u>\$ (3,060,968)</u> | <u>\$ (145,752)</u> |

City of Mt. Vernon, Illinois
Statistical Section
For the Year Ended April 30, 2024

Summary of Changes in Fund Balance/Net Position

| | <u>General Fund</u> | <u>Special Revenue Funds</u> | <u>Enterprise Funds</u> | <u>Internal Service Fund</u> | <u>Fiduciary Funds</u> | <u>Total</u> |
|------------------------------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|
| Revenue | \$ 21,669,175 | \$ 17,778,407 | \$ 10,798,772 | \$ 3,076,913 | \$ 6,033,718 | \$ 59,356,985 |
| Expenditures | <u>17,037,024</u> | <u>17,445,935</u> | <u>10,567,364</u> | <u>3,239,750</u> | <u>3,564,707</u> | <u>51,854,780</u> |
| Excess of Revenues over Expenditures | 4,632,151 | 332,472 | 231,408 | (162,837) | 2,469,011 | 7,502,205 |
| Other Income (Expenses) | <u>(3,282,117)</u> | <u>481,098</u> | <u>2,990,988</u> | <u>190,745</u> | <u>-</u> | <u>380,714</u> |
| Change in Fund Balance / Net Position | 1,350,034 | 813,570 | 3,222,396 | 27,908 | 2,469,011 | 7,882,919 |
| Fund Balance/Net Position - Beginning of Year | <u>16,609,831</u> | <u>18,428,119</u> | <u>30,472,332</u> | <u>3,120,309</u> | <u>39,603,200</u> | <u>108,233,791</u> |
| Fund Balance/Net Position - End of Year | <u><u>\$ 17,959,865</u></u> | <u><u>\$ 19,241,689</u></u> | <u><u>\$ 33,694,728</u></u> | <u><u>\$ 3,148,217</u></u> | <u><u>\$ 42,072,211</u></u> | <u><u>\$ 116,116,710</u></u> |

**Fund Balances of Governmental Funds
Last Ten Fiscal Years**

| Fiscal Year | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-------------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| GENERAL FUND | | | | | | | | | | |
| Nonspendable | \$ - | \$ 43,350 | \$ 1,885 | \$ 3,523 | \$ 1,138 | \$ 1,950 | \$ 3,098 | \$ 1,145 | \$ 1,840 | \$ 503 |
| Restricted | 254,691 | 254,691 | 246,335 | 218,806 | 242,863 | 314,808 | 355,008 | 380,222 | 188,375 | 141,970 |
| Unassigned | 17,705,174 | 16,311,790 | 9,958,373 | 8,149,157 | 5,587,445 | 4,149,977 | 3,605,924 | 3,544,925 | 3,448,070 | 3,993,451 |
| TOTAL TOTAL GENERAL FUND | \$ 17,959,865 | \$ 16,609,831 | \$ 10,206,593 | \$ 8,371,486 | \$ 5,831,446 | \$ 4,466,735 | \$ 3,964,030 | \$ 3,926,292 | \$ 3,638,285 | \$ 4,135,924 |
| ALL OTHER GOVERNMENTAL FUNDS | | | | | | | | | | |
| Nonspendable | \$ 1,520 | \$ 1,380 | \$ 1,380 | \$ 1,564 | \$ 1,545 | \$ 2,157 | \$ 1,853 | \$ 2,346 | \$ 2,499 | \$ 2,817 |
| Restricted | 1,177,789 | 1,432,492 | 2,130,625 | 1,529,648 | 787,784 | 476,624 | 311,345 | 116,052 | 55,000 | 130,948 |
| Committed | 18,062,380 | 16,994,247 | 21,003,912 | 17,953,374 | 4,978,057 | 2,521,127 | 1,834,949 | 1,563,160 | 1,028,448 | 1,452,691 |
| Assigned | - | - | - | 9,574 | - | 1,297,537 | 4,560,313 | 8,135,686 | 12,316,956 | 16,902,714 |
| Unassigned | - | - | 11,184 | 90,954 | 4,360 | 2,428,973 | 1,797,769 | 3,073,634 | 3,000,916 | 3,044,221 |
| TOTAL ALL OTHER GOVERNMENTAL FUNDS | \$ 19,241,689 | \$ 18,428,119 | \$ 23,147,101 | \$ 19,585,114 | \$ 5,771,746 | \$ 6,726,418 | \$ 8,506,229 | \$ 12,890,878 | \$ 16,403,819 | \$ 21,533,391 |

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years**

| Fiscal Year | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------------------------------------------------|---------------------|--------------------|---------------------|----------------------|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| REVENUES | | | | | | | | | | |
| Taxes | \$ 33,872,092 | \$ 32,466,017 | \$ 29,919,619 | \$ 24,789,923 | \$ 22,823,909 | \$ 22,717,482 | \$ 18,690,260 | \$ 17,499,318 | \$ 17,858,924 | \$ 17,693,083 |
| Licenses, fines, fees and permits | 500,624 | 570,354 | 63,645 | 71,789 | 75,986 | 92,824 | 87,388 | 167,830 | 79,494 | 62,766 |
| Grants and contributions | 848,699 | 2,427,447 | 1,758,712 | 2,023,636 | 1,771,113 | 2,559,014 | 3,129,881 | 1,442,835 | 877,333 | 820,059 |
| Charges for services | 780,307 | 735,318 | 1,133,641 | 728,962 | 1,118,020 | 1,099,433 | 939,096 | 897,516 | 935,229 | 992,431 |
| Investment income (loss) | 2,000,755 | 944,722 | 89,443 | 86,485 | 255,687 | 262,858 | 259,647 | 122,759 | 46,341 | (229,381) |
| Miscellaneous | 1,445,105 | 55,253 | - | - | 4,080 | 10,525 | 17,835 | 145,723 | 4,897 | 37,113 |
| Total revenues | <u>39,447,582</u> | <u>37,199,111</u> | <u>32,965,060</u> | <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> |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 17,013,960 | 18,059,875 | 7,646,647 | 6,935,088 | 7,435,099 | 9,547,150 | 9,490,782 | 8,516,553 | 9,240,724 | 9,598,454 |
| Public safety | 9,621,409 | 9,282,151 | 8,608,374 | 8,072,621 | 7,988,633 | 8,118,933 | 7,888,006 | 7,831,551 | 8,238,661 | 7,776,563 |
| Public works | 2,107,489 | 2,377,163 | 2,081,170 | 1,899,774 | 1,703,606 | 1,669,851 | 1,534,652 | 2,015,011 | 1,993,925 | 1,993,193 |
| Engineering services | - | - | 394,832 | 390,067 | 391,071 | 381,256 | 394,003 | 487,417 | 605,936 | 617,969 |
| Culture and recreation | 722,769 | 1,105,741 | 1,493,506 | 1,211,814 | 1,509,182 | 1,564,832 | 1,445,778 | 1,585,660 | 1,653,918 | 1,591,470 |
| Community development | 1,070,136 | 1,039,714 | 1,579,384 | 1,636,126 | 1,553,907 | 1,190,744 | 2,774,830 | 1,054,678 | 934,927 | 566,832 |
| Debt service - principal and interest | 3,947,196 | 3,256,111 | 3,246,012 | 26,715,030 | 2,889,480 | 3,003,236 | 3,189,018 | 2,919,538 | 2,952,278 | 2,819,393 |
| Total expenditures | <u>34,482,959</u> | <u>35,120,755</u> | <u>25,049,925</u> | <u>46,860,520</u> | <u>23,470,978</u> | <u>25,476,002</u> | <u>26,717,069</u> | <u>24,410,408</u> | <u>25,620,369</u> | <u>24,963,874</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>4,964,623</u> | <u>2,078,356</u> | <u>7,915,135</u> | <u>(19,159,725)</u> | <u>2,577,817</u> | <u>1,266,134</u> | <u>(3,592,962)</u> | <u>(4,134,427)</u> | <u>(5,818,151)</u> | <u>(5,587,803)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers in (out) | (2,927,367) | (2,506,564) | (3,304,719) | (2,487,704) | (2,217,778) | (2,543,240) | (753,949) | (441,826) | (417,060) | 365,552 |
| Other financing source - lease | 80,919 | - | - | - | - | - | - | - | - | - |
| Other financing source - subscription | 45,429 | - | - | - | - | - | - | - | - | - |
| Proceeds from issuance of loans | - | 902,571 | - | 37,762,580 | 50,000 | - | - | 1,351,319 | 608,000 | 250,000 |
| Proceeds from sale of assets | - | - | 12,300 | 238,257 | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>(2,801,019)</u> | <u>(1,603,993)</u> | <u>(3,292,419)</u> | <u>35,513,133</u> | <u>(2,167,778)</u> | <u>(2,543,240)</u> | <u>(753,949)</u> | <u>909,493</u> | <u>190,940</u> | <u>615,552</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ 2,163,604</u> | <u>\$ 474,363</u> | <u>\$ 4,622,716</u> | <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> |

**Governmental Activities Tax Revenue by Source
Last Ten Fiscal Years**

| Fiscal Year | Sales Taxes | Use Taxes | Hotel/Motel Taxes | Property Taxes | Franchise and Utility Taxes | Public Service Taxes | Total Tax Revenue |
|--------------------|------------------------|----------------------|------------------------------|---------------------------|----------------------------------------|---------------------------------|------------------------------|
| 2024 | \$ 24,855,104 | \$ 553,778 | \$ 1,753,413 | \$ 2,663,832 | \$ 109,716 | \$ 4,621,334 | \$ 34,557,177 |
| 2023 | 24,104,385 | 598,682 | 1,574,615 | 2,548,996 | 108,576 | 4,301,126 | 33,236,380 |
| 2022 | 21,457,896 | 577,366 | 1,494,191 | 2,395,513 | 120,135 | 3,804,092 | 29,849,193 |
| 2021 | 17,978,795 | 687,268 | 969,041 | 2,417,762 | 137,982 | 2,667,365 | 24,858,213 |
| 2020 | 16,419,920 | 534,587 | 1,251,770 | 2,434,028 | 143,167 | 2,358,231 | 23,141,703 |
| 2019 | 16,497,586 | 464,468 | 1,309,615 | 2,170,533 | 149,755 | 2,366,329 | 22,958,286 |
| 2018 | 12,780,466 | 401,838 | 1,355,827 | 2,314,071 | 149,231 | 2,174,273 | 19,175,706 |
| 2017 | 11,845,721 | 376,677 | 1,339,505 | 1,845,928 | 154,335 | 2,126,005 | 17,688,171 |
| 2016 | 12,236,418 | 352,654 | 1,370,259 | 1,676,894 | 157,350 | 2,181,795 | 17,975,370 |
| 2015 | 12,425,779 | 308,664 | 1,331,869 | 1,388,233 | 157,818 | 2,173,584 | 17,785,947 |

| Sales Tax Rates Last Ten Calendar Years | | | | | | | | | | |
|--------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| City | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% | 1.50% | 1.50% | 1.50% |
| Jefferson County | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |
| State of Illinois | 6.25% | 6.25% | 6.25% | 6.25% | 6.25% | 6.25% | 6.25% | 6.25% | 6.25% | 6.25% |
| Total | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 8.25% | 8.25% | 8.25% |

| Analysis of Property Tax Settlement Last Ten Calendar Years | | | | | | | | | | |
|----------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| | 2022 Taxes Settled in 2023 and 2024 | 2021 Taxes Settled in 2022 and 2023 | 2020 Taxes Settled in 2021 and 2022 | 2019 Taxes Settled in 2020 and 2021 | 2018 Taxes Settled in 2019 and 2020 | 2017 Taxes Settled in 2018 and 2019 | 2016 Taxes Settled in 2017 and 2018 | 2015 Taxes Settled in 2016 and 2017 | 2014 Taxes Settled in 2015 and 2016 | 2013 Taxes Settled in 2014 and 2015 |
| Jefferson County Collectors' records: | | | | | | | | | | |
| Charges | | | | | | | | | | |
| Extension of tax | \$ 4,435,994 | \$ 4,234,991 | \$ 4,295,269 | \$ 4,216,496 | \$ 3,994,947 | \$ 3,711,841 | \$ 3,378,710 | \$ 3,245,921 | \$ 3,062,034 | \$ 2,808,113 |
| Errors and uncollected tax | - | - | - | - | (1,800) | (2,459) | (1,868) | 4,416 | (13,158) | (12,064) |
| Amount of tax on books | 4,435,994 | 4,234,991 | 4,295,269 | 4,216,496 | 3,993,147 | 3,709,382 | 3,376,842 | 3,250,337 | 3,048,876 | 2,796,049 |
| Other charges | - | - | - | - | - | - | - | - | - | (20) |
| Total Charges | 4,435,994 | 4,234,991 | 4,295,269 | 4,216,496 | 3,993,147 | 3,709,382 | 3,376,842 | 3,250,337 | 3,048,876 | 2,796,029 |
| Total received by County Collector for the City of Mt. Vernon, Illinois | 4,365,345 | 4,227,830 | 4,298,863 | 4,220,524 | 3,923,443 | 3,639,110 | 3,306,789 | 3,227,008 | 3,023,074 | 2,944,680 |
| Road and bridge tax | 153,707 | 160,519 | 160,899 | 161,104 | 153,135 | 151,904 | 150,585 | 148,825 | 147,592 | 140,227 |
| Total due the City of Mt. Vernon, Illinois distribution | \$ 4,519,052 | \$ 4,388,349 | \$ 4,459,762 | \$ 4,381,628 | \$ 4,076,578 | \$ 3,791,014 | \$ 3,457,374 | \$ 3,375,833 | \$ 3,170,666 | \$ 3,084,907 |
| City of Mt. Vernon, Illinois distribution by fund: | | | | | | | | | | |
| General Corpotate, including road and bridge tax | \$ 452,601 | \$ 455,531 | \$ 749,855 | \$ 448,110 | \$ 440,508 | \$ 429,850 | \$ 539,082 | \$ 345,985 | \$ 334,743 | \$ 325,945 |
| I.M.R.F. | 743,224 | 736,850 | 438,907 | 734,857 | 666,106 | 702,661 | 699,444 | 747,943 | 713,902 | 697,582 |
| Special Service Area Number One - administration | - | - | 74,545 | 76,044 | 84,214 | 83,929 | 84,000 | 85,002 | 85,562 | 85,561 |
| TIF Homestead | - | - | - | - | - | - | - | 909 | 893 | 870 |
| TIF Downtown | 553,644 | 470,362 | 471,571 | 428,946 | 430,972 | 414,821 | 374,122 | 359,114 | 360,550 | 303,289 |
| TIF IPC | 556,527 | 556,583 | 549,897 | 533,294 | 322,492 | 137,129 | 3,913 | 2,584 | 2,244 | 890 |
| TIF Route 15/I-57 | 357,836 | 329,670 | 329,915 | 326,105 | 295,626 | 285,473 | 249,316 | 244,300 | 176,820 | 173,407 |
| Police Pension | 897,867 | 890,201 | 892,952 | 887,719 | 888,872 | 827,608 | 745,288 | 817,427 | 657,796 | 673,350 |
| Firefighters' Pension | 957,353 | 949,152 | 952,120 | 946,553 | 947,788 | 909,543 | 762,209 | 772,569 | 838,156 | 824,013 |
| Total distribution | \$ 4,519,052 | \$ 4,388,349 | \$ 4,459,762 | \$ 4,381,628 | \$ 4,076,578 | \$ 3,791,014 | \$ 3,457,374 | \$ 3,375,833 | \$ 3,170,666 | \$ 3,084,907 |

City of Mt. Vernon, Illinois
Statistical Section
For the Year Ended April 30, 2024

Ratio of Outstanding Debt by Type
Last Ten Years

| Fiscal Year Ended April 30, | Governmental Activities | | Business-Type Activities | | Total Primary Government | Per Capita |
|-----------------------------------|-------------------------|------------|--------------------------|--------------|-----------------------------|---------------|
| | General Obligation | Notes | General Obligation | Notes | | |
| | Bonds | Payable | Bonds | Payable | | |
| 2024 | \$ 31,441,352 | \$ 731,846 | \$ 4,755,531 | \$ 6,263,590 | \$ 43,192,319 | 3,060 |
| 2023 | 33,713,965 | 1,366,839 | 5,190,238 | 4,336,609 | 44,607,651 | 2,727 |
| 2022 | 30,680,792 | 625,910 | 5,914,337 | 2,952,486 | 40,173,525 | 2,725 |
| 2021 | 32,184,462 | 781,868 | 6,749,896 | 476,488 | 40,192,714 | 2,726 |
| 2020 | 25,403,027 | 1,108,190 | 8,366,637 | 356,262 | 35,234,116 | 2,306 |
| 2019 | 25,442,636 | 960,919 | 11,587,363 | 332,313 | 38,323,231 | 2,509 |
| 2018 | 28,392,540 | 1,693,267 | 7,001,459 | 516,333 | 37,603,599 | 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 | 42,208,290 | 2,763 |

City of Mt. Vernon, Illinois
Statistical Section
Schedule of Insurance Coverage
For the Year Ended April 30, 2024

| Policy Number and Company | Expiration Date | Coverage | Amount Excluding Deductible |
|------------------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------|--------------------------------|
| R3-1000552-2223-01 Illinois Counties Risk Management Trust | 12/1/2024 | General Liability (Ea. Occur./Agg.) | \$1,000,000/\$3,000,000 |
| | | Products/Completed Operations - Aggregate | \$1,000,000 |
| | | Advertising and personal injury | \$1,000,000 |
| | | Premises Medical Payments (Ea Prsn, Ea Occur) | \$5,000/\$50,000 |
| | | Sexual Abuse Liability (Ea. Occur./Agg.) | \$1,000,000/\$1,000,000 |
| | | Violent Event Response Coverage | \$500,000 |
| | | Law Enforcement Liability (Ea. Occur./Agg.) | \$1,000,000/\$3,000,000 |
| | | Auto Liability (Each Occurrence) | \$1,000,000 |
| | | Uninsured & Underinsured Motorist Liability (Ea. Occur.) | \$100,000 |
| | | Auto Physical Damage (Total Agreed Value) | \$3,726,645 |
| | | Public Officials Liab. - Claims Made (Ea. Occur./Agg.) | \$1,000,000/\$1,000,000 |
| | | (Employment Practices Liability) | |
| | | (Employee Benefits Liability) | |
| | | 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 |
| | | Cyber Liability (Ea. Occur./Agg.) | \$1,000,000/\$1,000,000 |
| | | Property - Buildings | \$115,634,168 |
| | | Property - Bus. Pers. Prop. | \$4,867,400 |
| | | 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 - Course of Construction | \$1,000,000 |
| | | Property - Earthquake, Volcanice Eruption, Landslide and Subsidence (Ea. Occur./Prog. Agg.) | \$10M/\$250M |
| | | Property - Flood (Ea. Occur./Prog. Agg.) | \$10M/\$250M |
| | | Mobile Equipment and Misc. Articles: | |
| | | Cameras, Radios, & Communications Equipment | \$192,760 |
| | | EDP Equipment/Media | \$96,700 |
| | | Mobile Equipment greater than or equal to \$10,000 per item | \$2,681,637 |
| | | Mobile Equipment less than \$10,000 per item | \$2,266,741 |
| | | Unmanned Aircraft | \$6,800 |
| | | Equipment Breakdown Protection (Total Bldg. & Cont. Value) | \$115,634,168 |
| | | Sales Tax Interruption (30 Day waiting period) | \$2,000,000 |
| | | Various Crime Coverages (Ea. Coverage) | \$50,000/\$500,000 |
| | | Workers Compensation Limit | Statutory |
| | | Employers Liability Limit (Ea. Accident & Ea. Emp. For Disease) | \$2,500,000 |

**Demographic and Economic Statistics
Last Ten Fiscal Years**

| Fiscal Year | Population | Median Household Income | Per Capita Income | Median Age Population | School Enrollment | Unemployment Rate |
|--------------------|-------------------|------------------------------------|------------------------------|----------------------------------|------------------------------|------------------------------|
| 2024 | 14,114 | \$ 48,786 | \$ 28,867 | 38.7 | 3,450 | 4.8% |
| 2023 | 14,284 | 44,373 | 27,582 | 38.6 | 3,438 | 5.3% |
| 2022 | 14,742 | 42,660 | 27,499 | 38.6 | 5,526 | 5.4% |
| 2021 | 14,742 | 42,660 | 27,499 | 38.6 | 3,713 | 4.6% |
| 2020 | 15,277 | 38,439 | 23,447 | 39.9 | 3,606 | N/A |
| 2019 | 15,277 | 38,439 | 23,447 | 39.9 | 3,617 | 4.6% |
| 2018 | 15,277 | 38,439 | 23,447 | 39.9 | 3,552 | N/A |
| 2017 | 15,277 | 38,439 | 23,447 | 39.9 | 3,690 | 6.3% |
| 2016 | 15,277 | 38,439 | 23,447 | 39.9 | 3,622 | 7.6% |
| 2015 | 15,277 | 38,439 | 23,447 | 39.9 | 3,633 | 8.0% |

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

**Principal Employers
Current Year and Nine Years Ago**

| 2024 | | | | 2015 | | | |
|-------------------------------------|------|-----------|-----------------|-------------------------------------|------|-----------|-----------------|
| Employer | Rank | Employees | % of Total City | Employer | Rank | Employees | % of Total City |
| Continental Tire The Americas, LLC | 1 | 3,500 | 25% | Continental Tire The Americas, LLC | 1 | 3,496 | 23% |
| SSM Health-Good Samaritan Hospital | 2 | 2,138 | 15% | SSM Health-Good Samaritan Hospital | 2 | 1,484 | 10% |
| Walgreens Distribution Center | 3 | 1,484 | 11% | Walgreens Distribution Center | 3 | 1,200 | 8% |
| Walmart Store, Inc. | 4 | 380 | 3% | National Railway Equipment Company | 4 | 376 | 2% |
| National Railway Equipment Company | 5 | 376 | 3% | Crossroads Community Hospital | 5 | 290 | 2% |
| Mt. Vernon Township High School | 6 | 300 | 2% | Mt. Vernon City Schools District 80 | 6 | 283 | 2% |
| Crossroads Community Hospital | 7 | 290 | 2% | Rend Lake College | 7 | 261 | 2% |
| Spero Family Services | 8 | 197 | 1% | Spero Family Services | 8 | 197 | 1% |
| City of Mt. Vernon | 9 | 161 | 1% | Jefferson County Government | 9 | 178 | 1% |
| Mt. Vernon City Schools District 80 | 10 | 150 | 1% | Mt. Vernon Township High School | 10 | 171 | 1% |
| TOTAL | | 8,976 | 64% | TOTAL | | 7,936 | 52% |