

**City of
Mt. Vernon,
Illinois**

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE YEAR ENDED
APRIL 30, 2025**

City of Mt. Vernon, Illinois
Table of Contents
April 30, 2025

	PAGE
INTRODUCTORY SECTION	
List of Principal Officials.....	i
Organization Chart.....	ii
FINANCIAL SECTION	
Independent Auditors' Report.....	1
Management's Discussion and Analysis (Unaudited).....	5
EXHIBIT	
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position.....	A 17
Statement of Activities.....	B 19
Fund Financial Statements:	
Governmental Funds - Balance Sheet.....	C 20
Governmental Funds - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	D 21
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances.....	E 22
Governmental Funds - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	F 23
Proprietary Funds - Statement of Net Position.....	G 24
Proprietary Funds - Statement of Revenues, Expenses, and Changes in Net Position.....	H 26
Proprietary Funds - Statement of Cash Flows.....	I 27
Fiduciary Funds - Statement of Fiduciary Net Position.....	J 29
Fiduciary Funds - Statement of Changes in Fiduciary Net Position.....	K 30
Notes to the Financial Statements.....	31
Required Supplementary Information (Unaudited)	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -	
General Fund.....	91
Home Rule Tax.....	91

City of Mt. Vernon, Illinois
Table of Contents
April 30, 2025

Required Supplementary Information (Unaudited) (Continued)

	PAGE
Illinois Municipal Retirement Fund -	
Schedule of Changes in the Employer's Net Pension Liability (Asset)	
and Related Ratios	93
Schedule of Employer Contributions	94
Police Pension Fund -	
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	95
Schedule of Employer Contributions	96
Schedule of Investment Returns	97
Firefighters' Pension Fund -	
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	98
Schedule of Employer Contributions	99
Schedule of Investment Returns	100
Other Post-Employment Benefit Plans -	
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	101

SCHEDULE

Supplementary Information

Nonmajor Governmental Funds:	
Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures, and	
Changes in Fund Balances	103
Schedule of Revenues, Expenditures, and Changes in	
Fund Balances - Budget and Actual	104
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position	109
Combining Statement of Changes in Fiduciary Net Position	110

STATISTICAL SECTION (UNAUDITED)

Financial Trends	
Net Position by Component	111
Changes in Net Position	112
Summary of Changes in Fund Balance/Net Position	114
Fund Balances of Governmental Funds	115
Changes in Fund Balances of Governmental Funds	116
Revenue Capacity	
Governmental Activities Tax Revenue by Source	117
Sales Tax Rates	118
Analysis of Property Tax Settlement	119
Debt Capacity	
Ratio of Outstanding Debt by Type	120

City of Mt. Vernon, Illinois
Table of Contents
April 30, 2025

Schedule of Insurance Coverage.....121

Demographic and Economic Information

 Demographic and Economic Statistics.....122

 Principal Employers.....123

City of Mt. Vernon, Illinois
List of Principal Officials
April 30, 2025

City Council

City Mayor

John Lewis

Council Member

Joe Gliosci

Council Member

Donte Moore

Council Member

Mike Young

Council Member

Ray Botch

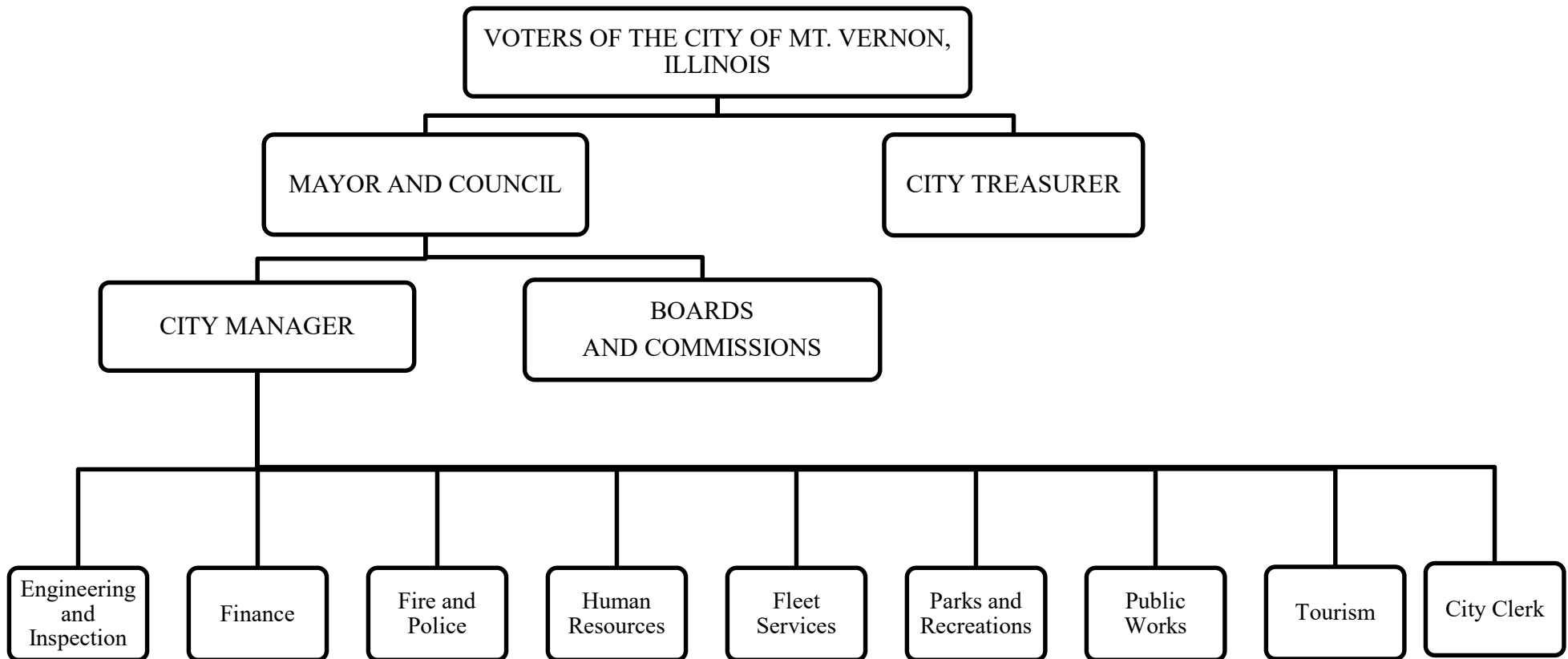
City Manager

Nathan McKenna

City Clerk

Rebecca Barbour

City of Mt. Vernon, Illinois
Organization Chart
April 30, 2025





INDEPENDENT AUDITORS' 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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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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.

Auditors' 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 auditors' 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 16, 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 auditors' 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 January 15, 2026, 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
January 15, 2026



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

City of Mt. Vernon, Illinois
Management's Discussion and Analysis
April 30, 2025

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, 2025. 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 \$75.7 million (net position) as of April 30, 2025.
- The City's total net position for the fiscal year increased by \$9.0 million, or 13%. The governmental net position increased by \$5.4 million, or 16%, and the business-type net position increased by \$3.6 million, or 11%.
- The City's governmental funds reported combined ending fund balances of \$41.9 million. The General Fund accounted for \$18.6 million, or 44%, of the total. The General Fund ending fund balance increased by \$1.0 million, or 6%, from the previous reporting period.
- Net position in the City's pension trust funds increased by \$2.9 million, or 7%, 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 excludes 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 \$75.7 million. Of that total \$58.5 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, 2025

The following table presents a condensed summary of net position as of April 30, 2025, and April 30, 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current and other assets	\$ 53,518,925	\$ 47,432,675	\$ 12,784,505	\$ 9,919,007	\$ 66,303,430	\$ 57,351,682
Capital assets	63,953,308	63,581,965	41,064,212	37,184,738	105,017,520	100,766,703
TOTAL ASSETS	117,472,233	111,014,640	53,848,717	47,103,745	171,320,950	158,118,385
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	8,933,984	11,156,680	397,504	548,250	9,331,488	11,704,930
Deferred outflows related to OPEB	2,329,258	2,055,170	400,127	353,043	2,729,385	2,408,213
TOTAL DEFERRED OUTFLOWS OF RESOURCES	11,263,242	13,211,850	797,631	901,293	12,060,873	14,113,143
LIABILITIES						
Current liabilities	7,670,960	5,439,674	2,129,089	2,441,377	9,800,049	7,881,051
Long-term liabilities	71,091,983	71,788,648	14,976,582	11,445,093	86,068,565	83,233,741
TOTAL LIABILITIES	78,762,943	77,228,322	17,105,671	13,886,470	95,868,614	91,114,792
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	6,509,051	7,120,736	92,918	58,071	6,601,969	7,178,807
Deferred inflows related to OPEB	1,724,304	2,129,239	296,209	365,769	2,020,513	2,495,008
Deferred property tax revenues	3,191,138	3,098,777	-	-	3,191,138	3,098,777
TOTAL DEFERRED INFLOWS OF RESOURCES	11,424,493	12,348,752	389,127	423,840	11,813,620	12,772,592
NET POSITION						
Net investment in capital assets	32,070,618	31,188,882	26,478,659	26,165,618	58,549,277	57,354,500
Restricted	8,201,054	6,704,075	-	-	8,201,054	6,704,075
Unrestricted	(1,723,633)	(3,243,541)	10,672,891	7,529,110	8,949,258	4,285,569
TOTAL NET POSITION	\$ 38,548,039	\$ 34,649,416	\$ 37,151,550	\$ 33,694,728	\$ 75,699,589	\$ 68,344,144

City of Mt. Vernon, Illinois
Management's Discussion and Analysis
April 30, 2025

Statement of Activities

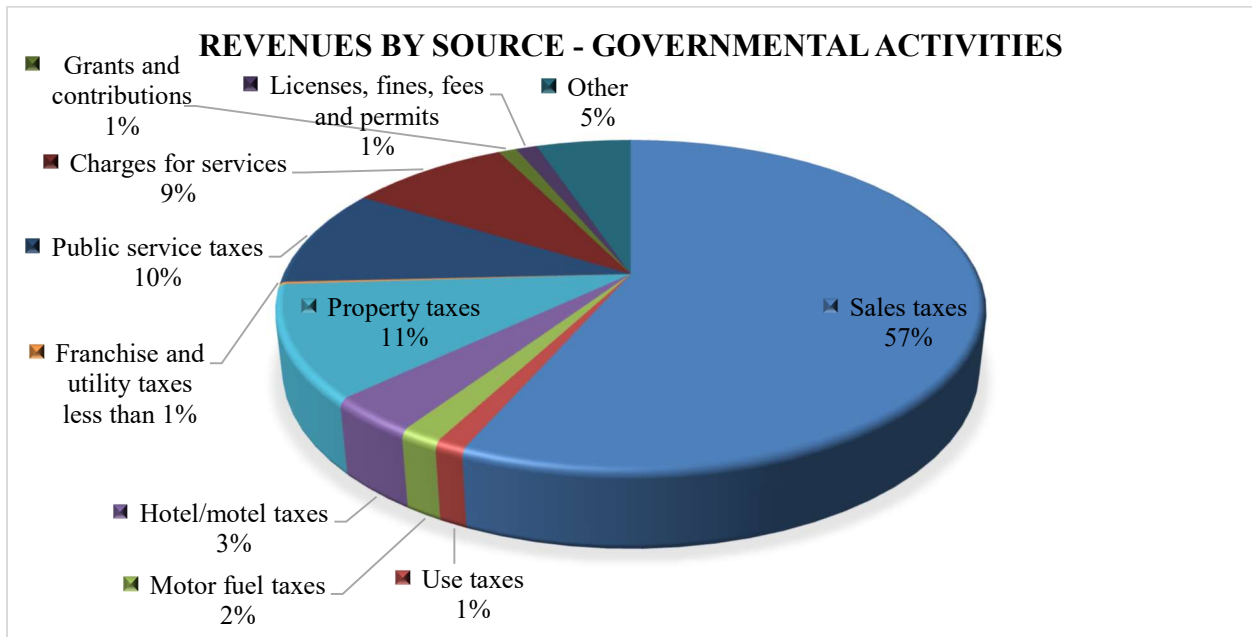
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program revenues						
Charges for services	\$ 3,641,005	\$ 3,857,221	\$ 10,697,122	\$ 10,727,769	\$ 14,338,127	\$ 14,584,990
Grants and contributions	406,108	848,699	1,659,157	307,411	2,065,265	1,156,110
General revenues						
Sales taxes	23,351,246	24,855,104	868,668	-	24,219,914	24,855,104
Property taxes	4,569,922	2,663,832	-	-	4,569,922	2,663,832
Other taxes	6,679,240	7,038,241	-	-	6,679,240	7,038,241
Licenses, fines, fees and permits	482,160	500,624	-	-	482,160	500,624
Other	2,138,440	3,762,953	463,950	480,869	2,602,390	4,243,822
Total revenues	<u>41,268,121</u>	<u>43,526,674</u>	<u>13,688,897</u>	<u>11,516,049</u>	<u>54,957,018</u>	<u>55,042,723</u>
EXPENDITURES						
Program expenses						
General government	13,986,723	15,571,078	-	-	13,986,723	15,571,078
Public safety	10,193,970	9,621,409	-	-	10,193,970	9,621,409
Public works	1,990,559	2,107,489	-	-	1,990,559	2,107,489
Health and sanitation	-	-	11,491,496	10,567,364	11,491,496	10,567,364
Culture and recreation	977,839	722,769	-	-	977,839	722,769
Community development	2,315,218	1,070,136	-	-	2,315,218	1,070,136
Capital outlay	1,500,921	1,716,081	-	-	1,500,921	1,716,081
Interest	792,920	828,771	214,630	237,344	1,007,550	1,066,115
Total expenses	<u>31,758,150</u>	<u>31,637,733</u>	<u>11,706,126</u>	<u>10,804,708</u>	<u>43,464,276</u>	<u>42,442,441</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>9,509,971</u>	<u>11,888,941</u>	<u>1,982,771</u>	<u>711,341</u>	<u>11,492,742</u>	<u>12,600,282</u>
OTHER FINANCING SOURCES (USES)						
Loss on asset disposals	(123,656)	(202,054)	-	-	(123,656)	(202,054)
Transfers in (out)	(4,024,499)	(2,927,367)	1,608,139	2,511,055	(2,416,360)	(416,312)
Total other financing sources (uses)	<u>(4,148,155)</u>	<u>(3,129,421)</u>	<u>1,608,139</u>	<u>2,511,055</u>	<u>(2,540,016)</u>	<u>(618,366)</u>
CHANGE IN NET POSITION	5,361,816	8,759,520	3,590,910	3,222,396	8,952,726	11,981,916
NET POSITION, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)	<u>33,186,223</u>	<u>25,889,896</u>	<u>33,560,640</u>	<u>30,472,332</u>	<u>66,746,863</u>	<u>56,362,228</u>
NET POSITION, END OF YEAR	<u>\$ 38,548,039</u>	<u>\$ 34,649,416</u>	<u>\$ 37,151,550</u>	<u>\$ 33,694,728</u>	<u>\$ 75,699,589</u>	<u>\$ 68,344,144</u>

Governmental Activities

Governmental activities increased the City's net position by \$5.4 million during the fiscal year.

Revenues

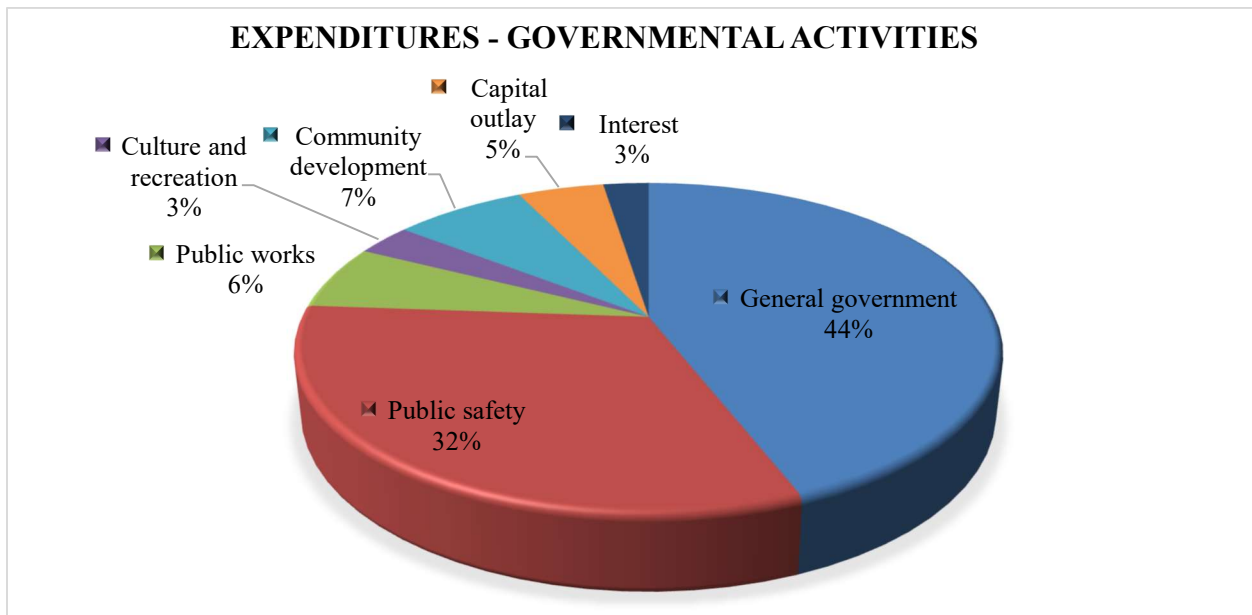
The City's governmental activities total revenues amounted to \$41.3 million in fiscal year 2025. The largest revenue category is taxes, which amounted to \$34.6 million. In fiscal year 2025, 67% of all taxes came from sales tax collections. \$4.0 million of total revenue was derived from program revenue, 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, 2025.



Expenditures

Total governmental activities expenses amounted to \$31.8 million in fiscal year 2025. The City's largest program expenditures comprised of general government (44%) and public safety (32%).

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 \$3.6 million.

Revenues

Overall revenues from business-type activities increased by \$2.2 million (19%) from the prior year. The increase comes from the program-related revenues as a result of an increase in grants and contributions.

Expenses

Total expenses from business-type activities increased by \$0.9 million (8%). Expenses in the Sewer Fund increased by \$0.8 million as a result of the increase in distribution and administration and general expenses. Water Fund and Sanitation Fund expenses increased by \$0.04 million and \$0.06 million, respectively, a minimal increase from prior year.

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, 2025, the City's governmental funds reported combined ending fund balances of \$41.9 million, an increase of \$5.0 million (14%) in comparison with the prior fiscal year. Of the total fund balance amount, \$18.3 million constitutes unassigned fund balance, which is an increase of \$1.0 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 \$1.7 million (8%) in fiscal year 2025. 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 2025. 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, 2025

The fund balance for the Home Rule Tax fund increased by \$1.4 million (26%). 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 \$4.2 million, which was due to increased charges for services and the debt forgiven during fiscal year 2025. Revenues and expenses increased by \$1.7 million and \$0.04 million, respectively, during the fiscal year.

The City's Sewer Fund net position decreased by \$0.6 million which is a minimal movement from the prior year's net position. Revenues decreased by \$0.08 million while expenditures increased by \$0.8 million during the fiscal year.

The City's Sanitation Fund net position increased by \$0.02 million which is a minimal movement from the prior year's net position. Revenues and expenses had a minimal movement during the fiscal year.

The City's self-insured Health Insurance Fund, which is considered an "Internal Service Fund," had a decrease in net position of \$1.1 million, which is due to increase in administrative and general expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 20,183,920	\$ 20,183,920	\$ 21,176,241	\$ 992,321
Governmental grants	18,500	18,500	860	(17,640)
Other	1,740,177	1,740,177	2,179,205	439,028
Total revenues	<u>21,942,597</u>	<u>21,942,597</u>	<u>23,356,306</u>	<u>1,413,709</u>
Expenditures				
Current expenditures	<u>20,781,016</u>	<u>20,781,016</u>	<u>17,668,302</u>	<u>3,112,714</u>
Excess of revenues over expenditures	<u>\$ 1,161,581</u>	<u>\$ 1,161,581</u>	<u>\$ 5,688,004</u>	<u>\$ 4,526,423</u>

City of Mt. Vernon, Illinois
Management's Discussion and Analysis
April 30, 2025

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

- Total revenues recognized were more than the budget (\$1.4 million) primarily due to increased City's collection of taxes.
- Total expenditures incurred were less than the budget (\$3.1 million) due to decrease in general government spending, culture and recreation, and public works.

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, 2025, totaled \$104.9 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 \$4.1 million from the prior year due to current-year additions exceeding the depreciation expense for the year.

Capital Assets, Net of Accumulated Depreciation/Amortization
April 30, 2025

	Governmental Activities	Business-type Activities	Total
Land	\$ 4,319,306	\$ —	\$ 4,319,306
Infrastructure	38,522,308	—	38,522,308
Buildings	13,160,661	5,962,469	19,123,130
Machinery and equipment	2,841,129	2,233,767	5,074,896
Furniture and fixtures	368,674	—	368,674
Vehicles	3,925,673	8,816	3,934,489
Right-to-use assets	815,557	16,423	831,980
Water and sanitary sewer lines	—	32,738,960	32,738,960
	<u>\$ 63,953,308</u>	<u>\$ 40,960,435</u>	<u>\$ 104,913,743</u>

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

City of Mt. Vernon, Illinois
Management's Discussion and Analysis
April 30, 2025

Long-term Debt and Other Noncurrent Obligations

The City's combined long-term obligations increased by 2% during the fiscal year due to proceeds from new loans in fiscal year 2025. The City issued \$8.2 million debt and paid \$6.1 million of the outstanding debt during the year. As of April 30, 2025, the City had outstanding long-term liabilities of \$90.1 million.

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 29,074,435	\$ 4,303,574	\$ 33,378,009
Net pension liability:			
Police Pension	16,580,342	—	16,580,342
Firefighters' Pension	17,476,162	—	17,476,162
OPEB liability	6,985,454	1,199,986	8,185,440
Compensated absences	1,199,462	128,140	1,327,602
Loans payable	1,991,362	10,281,979	12,273,341
Lease payable	816,893	16,441	833,334
	<u>\$ 74,124,110</u>	<u>\$ 15,930,120</u>	<u>\$ 90,054,230</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 2026, the City's general government budgeted for total revenues of \$21.7 million and expenditures of \$22.7 million, resulting in a decrease in the fund balance of \$1 million. This decrease leaves a working fund balance of \$12.6 million representing 6.7 months of operating funds. Of the total expenses, salaries and wages account for \$12.5 million, which is 6.96% 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 2026.

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 \$1.3 million and \$1.1 million, respectively. The City's estimated IMRF contributions are estimated at \$0.4 million (6.76% 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 \$2.7 million. The City maintained an average of 152 full-time employees in fiscal year 2025 which is higher than fiscal year 2024 with 145 average full-time employees. The city employed 104 summer employees, mainly for the Aquatic Zoo.

City of Mt. Vernon, Illinois
Management's Discussion and Analysis
April 30, 2025

Investments in capital infrastructure continue to be an area of focus and significant financial resources are allocated. In fiscal year 2026, the capital expenditures accounts for a total of \$53.5 million water, wastewater, roads, bridges, public facilities, new indoor recreation facility and technology enhancements. The city plans to issue \$30 million in general obligation bonds to cover the construction of the indoor recreation facility. The facility construction is expected to cover the next two fiscal years. The city created two additional TIF districts on the city's west side and two new TIF funds in the 2026 budget.

The City Council is committed to maintaining a low property tax rate, which is the primary funding source for pensions. The 2024 property tax levy payable in fiscal year 2025-2026 has a calculated rate of 0.939893 with a total tax levy of \$2.9 million. Retail sales tax collected in fiscal year 2025 totaled \$7.8 million, which is a 6.8% increase from budgeted amount of \$7.3 million. For fiscal year 2026, retail sales tax collection is budgeted to \$7.3 million. Home rule sales tax in fiscal year 2025 totaled \$13.6 million, which is a 3.8% increase from budgeted amount of \$13.1 million. For fiscal year 2026, home rule sales tax collection is budgeted to \$13.3 million. The City continues to eye the upcoming closure of the interstate ramp on I-57 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 potential impact.

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, 2025
Exhibit A

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 42,912,028	\$ 11,374,697	\$ 54,286,725
Restricted cash and cash equivalents	196,673	100	196,773
Investments	55,385	-	55,385
Receivables			
Accounts, net	1,591,490	1,146,607	2,738,097
Property and replacement taxes	2,763,567	-	2,763,567
Notes	10,277	-	10,277
Due from other governments	5,509,900	-	5,509,900
Due from other funds	3,816	-	3,816
Inventories	1,380	222,912	224,292
Prepaid expenses	106,472	40,189	146,661
Capital assets not depreciated	4,319,306	-	4,319,306
Capital assets depreciated, net	59,634,002	40,960,435	100,594,437
Net pension asset - IMRF	367,937	103,777	471,714
TOTAL ASSETS	117,472,233	53,848,717	171,320,950
DEFERRED OUTFLOWS OF RESOURCES			
Deferred items - IMRF	1,409,332	397,504	1,806,836
Deferred items - Police Pension	3,784,926	-	3,784,926
Deferred items - Firefighters' Pension	3,739,726	-	3,739,726
Deferred items - OPEB	2,329,258	400,127	2,729,385
TOTAL DEFERRED OUTFLOWS OF RESOURCES	11,263,242	797,631	12,060,873
LIABILITIES			
Accounts payable and accrued expenses	3,205,464	1,175,451	4,380,915
Unearned revenue	405,393	-	405,393
Due to other funds	959,538	-	959,538
Other payables from restricted assets	68,438	100	68,538
Long-term liabilities			
Due within one year	3,032,127	953,538	3,985,665
Due in more than one year	71,091,983	14,976,582	86,068,565
TOTAL LIABILITIES	78,762,943	17,105,671	95,868,614
DEFERRED INFLOWS OF RESOURCES			
Deferred items - IMRF	329,432	92,918	422,350
Deferred items - Police Pension	4,265,868	-	4,265,868
Deferred items - Firefighters' Pension	1,913,751	-	1,913,751
Deferred items - OPEB	1,724,304	296,209	2,020,513
Deferred property tax revenues	3,191,138	-	3,191,138
TOTAL DEFERRED INFLOWS OF RESOURCES	11,424,493	389,127	11,813,620

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

City of Mt. Vernon, Illinois
Statement of Net Position
April 30, 2025
Exhibit A (Continued)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	\$ 32,070,618	\$ 26,478,659	\$ 58,549,277
Restricted for:			
Public works	1,582,368	-	1,582,368
Public safety	251,504	-	251,504
Community development	2,974,012	-	2,974,012
Culture and recreation	6,371	-	6,371
Capital projects	3,386,799	-	3,386,799
Unrestricted	(1,723,633)	10,672,891	8,949,258
TOTAL NET POSITION	<u>\$ 38,548,039</u>	<u>\$ 37,151,550</u>	<u>\$ 75,699,589</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, 2025
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	\$ 13,986,723	\$ 3,198,099	\$ 166,320	\$ (10,622,304)	\$ -	\$ (10,622,304)
Public safety	10,193,970	345,213	497	(9,848,260)	-	(9,848,260)
Public works	1,990,559	56,601	82	(1,933,876)	-	(1,933,876)
Culture and recreation	977,839	6,367	239,209	(732,263)	-	(732,263)
Community development	2,315,218	34,725	-	(2,280,493)	-	(2,280,493)
Debt service:						
Interest on long-term debt	792,920	-	-	(792,920)	-	(792,920)
Capital outlay	1,500,921	-	-	(1,500,921)	-	(1,500,921)
Total governmental activities	<u>31,758,150</u>	<u>3,641,005</u>	<u>406,108</u>	<u>(27,711,037)</u>	<u>-</u>	<u>(27,711,037)</u>
Business-type activities:						
Water Fund	4,645,249	5,368,762	1,650,000	-	2,373,513	2,373,513
Sewer Fund	5,464,242	3,937,395	-	-	(1,526,847)	(1,526,847)
Sanitation	1,382,005	1,390,965	9,157	-	18,117	18,117
Total business-type activities	<u>11,491,496</u>	<u>10,697,122</u>	<u>1,659,157</u>	<u>-</u>	<u>864,783</u>	<u>864,783</u>
Total primary government	<u>\$ 43,249,646</u>	<u>\$ 14,338,127</u>	<u>\$ 2,065,265</u>	<u>(27,711,037)</u>	<u>864,783</u>	<u>(26,846,254)</u>
General revenues (expenses):						
Sales taxes				23,351,246	868,668	24,219,914
Use taxes				488,517	-	488,517
Motor fuel taxes				659,640	-	659,640
Hotel/motel taxes				1,478,795	-	1,478,795
Property taxes				4,569,922	-	4,569,922
Franchise and utility taxes				83,354	-	83,354
Public service taxes				3,968,934	-	3,968,934
Licenses, fines, fees and permits				482,160	-	482,160
Interest income				1,892,059	180,887	2,072,946
Loss on asset disposals/adjustments				(123,656)	-	(123,656)
Miscellaneous and others				246,381	68,433	314,814
Transfers in (out)				(4,024,499)	1,608,139	(2,416,360)
Total general revenues (expenses)				<u>33,072,853</u>	<u>2,726,127</u>	<u>35,798,980</u>
CHANGE IN NET POSITION				5,361,816	3,590,910	8,952,726
NET POSITION - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)				<u>33,186,223</u>	<u>33,560,640</u>	<u>66,746,863</u>
NET POSITION - END OF YEAR				<u>\$ 38,548,039</u>	<u>\$ 37,151,550</u>	<u>\$ 75,699,589</u>

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

City of Mt. Vernon, Illinois
Governmental Funds
Balance Sheet
April 30, 2025
Exhibit C

	General Fund	Home Rule Tax	Nonmajor Governmental Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 18,679,261	\$ 5,863,527	\$ 16,231,865	\$ -	\$ 40,774,653
Restricted cash and cash equivalents	196,673	-	-	-	196,673
Receivables					
Accounts, net	74,316	1,363,423	148,028	-	1,585,767
Property and replacement taxes	640,636	-	2,122,931	-	2,763,567
Notes	10,277	-	-	-	10,277
Prepaid expenses	15,870	89,825	777	-	106,472
Due from other governments	4,099,790	-	1,410,110	-	5,509,900
Due from other funds	253,816	-	416,314	(666,314)	3,816
Inventories	-	-	1,380	-	1,380
TOTAL ASSETS	<u>\$ 23,970,639</u>	<u>\$ 7,316,775</u>	<u>\$ 20,331,405</u>	<u>\$ (666,314)</u>	<u>\$ 50,952,505</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	\$ 2,561,548	\$ -	\$ 166,739	\$ -	\$ 2,728,287
Due to other funds	416,314	-	1,209,538	(666,314)	959,538
Unearned revenue	390,721	-	14,672	-	405,393
Other payables from restricted assets	68,438	-	-	-	68,438
TOTAL LIABILITIES	<u>3,437,021</u>	<u>-</u>	<u>1,390,949</u>	<u>(666,314)</u>	<u>4,161,656</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	1,946,643	501,303	2,490,251	-	4,938,197
FUND BALANCES					
Nonspendable	15,870	89,825	2,157	-	107,852
Restricted for:					
Public works	-	-	1,582,368	-	1,582,368
Public safety	251,504	-	-	-	251,504
Community development	-	-	2,974,012	-	2,974,012
Culture and recreation	3,187	-	3,184	-	6,371
Capital projects	-	-	3,386,799	-	3,386,799
Committed for:					
Home rule tax	-	6,725,647	-	-	6,725,647
Pension sales tax	-	-	3,586,467	-	3,586,467
Quality of life and economic development	-	-	4,915,218	-	4,915,218
Unassigned	18,316,414	-	-	-	18,316,414
TOTAL FUND BALANCES	<u>18,586,975</u>	<u>6,815,472</u>	<u>16,450,205</u>	<u>-</u>	<u>41,852,652</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 23,970,639</u>	<u>\$ 7,316,775</u>	<u>\$ 20,331,405</u>	<u>\$ (666,314)</u>	<u>\$ 50,952,505</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, 2025
Exhibit D

Total fund balances - governmental funds	\$	41,852,652
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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	\$ 63,137,751	
Right-to-use assets, net	815,557	63,953,308

Receivables not available to pay for current period expenditures and, therefore, not reported in the funds.		1,747,059
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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	1,079,900	
Deferred items - Police Pension	(480,942)	
Deferred items - Firefighters' Pension	1,825,975	
Deferred items - OPEB	604,954	3,029,887

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	(311,371)	
General obligation bonds, including unamortized bond premium	(29,074,435)	
Lease payable	(816,893)	
Loans payable	(1,991,362)	
Compensated absences	(1,199,462)	
Net pension asset (liability):		
IMRF	367,937	
Police Pension	(16,580,342)	
Firefighters' Pension	(17,476,162)	
OPEB liability	(6,985,454)	(74,067,544)

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.

		2,032,677
Net position of governmental activities	\$	38,548,039

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, 2025
Exhibit E

	General Fund	Home Rule Tax	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Sales taxes	\$ 13,154,312	\$ 4,435,678	\$ 5,469,643	\$ 23,059,633
Use taxes	488,517	-	-	488,517
Motor fuel taxes	-	-	659,640	659,640
Hotel/motel taxes	1,023,961	-	454,834	1,478,795
Property taxes	2,457,163	-	2,112,759	4,569,922
Franchise and utility taxes	83,354	-	-	83,354
Public service taxes	3,968,934	-	-	3,968,934
Licenses, fines, fees and permits	482,160	-	-	482,160
Grants and contributions	860	-	405,248	406,108
Charges for services	596,875	-	41,092	637,967
Interest income	853,789	283,264	630,900	1,767,953
Miscellaneous	246,381	-	-	246,381
Total revenues	23,356,306	4,718,942	9,774,116	37,849,364
EXPENDITURES				
Current:				
General government	5,760,030	71,945	131,806	5,963,781
Public safety	10,193,970	-	-	10,193,970
Public works	1,671,408	-	319,151	1,990,559
Culture and recreation	-	-	977,839	977,839
Community development	-	-	2,315,218	2,315,218
Capital outlay	12,719	2,164,170	3,920,027	6,096,916
Debt service:				
Principal	29,341	217,688	2,109,664	2,356,693
Interest	834	100,711	989,819	1,091,364
Total expenditures	17,668,302	2,554,514	10,763,524	30,986,340
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,688,004	2,164,428	(989,408)	6,863,024
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(4,656,018)	(1,502,048)	2,133,567	(4,024,499)
Other financing source - lease	11,438	751,130	-	762,568
Proceeds from issuance of loans	-	-	1,435,000	1,435,000
Total other financing sources (uses)	(4,644,580)	(750,918)	3,568,567	(1,826,931)
NET CHANGE IN FUND BALANCES	1,043,424	1,413,510	2,579,159	5,036,093
NET POSITION - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)	17,543,551	5,401,962	13,871,046	36,816,559
FUND BALANCE - END OF YEAR	\$ 18,586,975	\$ 6,815,472	\$ 16,450,205	\$ 41,852,652

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, 2025
Exhibit F

Net change in fund balances	\$	5,036,093
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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	\$ 4,595,995	
Loss on assets disposal	(123,656)	
Depreciation and amortization	<u>(4,100,996)</u>	371,343

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	(1,455,448)	
Current year unavailable revenue	<u>1,747,059</u>	291,611

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

Change in deferred items - IMRF	(561,133)	
Change in deferred items - Police Pension	(2,139,475)	
Change in deferred items - Firefighters' Pension	1,089,597	
Change in deferred items - OPEB	<u>679,023</u>	(931,988)

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.

Loan proceeds	(1,435,000)	
Other financing source - lease	(762,568)	
Principal payments on general bonds, long-term debt, leases and subscription	2,356,693	
Change in interest expense	17,235	
Change in unamortized premium	<u>351,266</u>	527,626

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/asset:		
IMRF	698,557	
Police Pension	1,884,777	
Firefighters' Pension	(1,106,862)	
Change in OPEB liability	(487,475)	
Change in compensated absence	263,731	
Change in interest payable	<u>(70,057)</u>	1,182,671

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.

(1,115,540)

Change in net position of governmental activities	\$	<u><u>5,361,816</u></u>
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The accompanying notes are an integral part of the financial statements.

City of Mt. Vernon, Illinois
Proprietary Funds
Statement of Net Position
April 30, 2025
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	\$ 6,685,636	\$ 4,485,398	\$ 203,663	\$ 11,374,697	\$ 2,137,375
Restricted cash and cash equivalents	100	-	-	100	-
Investments	-	-	-	-	55,385
Accounts receivable, net	455,575	631,507	59,525	1,146,607	5,723
Inventories	222,912	-	-	222,912	-
Prepaid expenses	28,349	11,840	-	40,189	-
Total current assets	7,392,572	5,128,745	263,188	12,784,505	2,198,483
Noncurrent assets:					
Capital assets:					
Capital assets depreciated, net	18,155,350	22,805,085	-	40,960,435	-
Net pension asset - IMRF	80,191	23,586	-	103,777	-
Total noncurrent assets	18,235,541	22,828,671	-	41,064,212	-
Total assets	25,628,113	27,957,416	263,188	53,848,717	2,198,483
DEFERRED OUTFLOWS OF RESOURCES					
Deferred items - IMRF	307,162	90,342	-	397,504	-
Deferred items - OPEB	329,436	70,691	-	400,127	-
Total deferred outflows of resources	\$ 636,598	\$ 161,033	\$ -	\$ 797,631	\$ -

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

City of Mt. Vernon, Illinois
Proprietary Funds
Statement of Net Position
April 30, 2025
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	\$ 861,745	\$ 201,380	\$ 112,326	\$ 1,175,451	\$ 165,806
General obligation bonds payable - current	469,207	-	-	469,207	-
Loans payable - current	183,058	297,959	-	481,017	-
Lease liability - current	3,314	-	-	3,314	-
Other payables from restricted assets	100	-	-	100	-
Total current liabilities	1,517,424	499,339	112,326	2,129,089	165,806
Noncurrent liabilities:					
General obligation bonds payable	3,834,367	-	-	3,834,367	-
Loans payable	4,479,983	5,320,979	-	9,800,962	-
Lease liability, net	13,127	-	-	13,127	-
OPEB liability	987,983	212,003	-	1,199,986	-
Accrued compensated absences	95,173	32,967	-	128,140	-
Total noncurrent liabilities	9,410,633	5,565,949	-	14,976,582	-
Total liabilities	10,928,057	6,065,288	112,326	17,105,671	165,806
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	71,800	21,118	-	92,918	-
Deferred inflows related to OPEB	243,878	52,331	-	296,209	-
Total deferred inflows of resources	315,678	73,449	-	389,127	-
NET POSITION					
Net investment in capital assets	9,268,926	17,209,733	-	26,478,659	-
Unrestricted	5,752,050	4,769,979	150,862	10,672,891	2,032,677
Total net position	\$ 15,020,976	\$ 21,979,712	\$ 150,862	\$ 37,151,550	\$ 2,032,677

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, 2025
Exhibit H

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Sanitation	Total	Internal Service Fund
OPERATING REVENUES					
Charges for services	\$ 5,368,762	\$ 3,937,395	\$ 1,390,965	\$ 10,697,122	\$ 3,003,038
Grants and contributions	1,650,000	-	-	1,650,000	-
Other operating revenue	68,433	-	-	68,433	-
Total operating revenue	7,087,195	3,937,395	1,390,965	12,415,555	3,003,038
OPERATING EXPENSES					
Purchased water	2,346,710	-	-	2,346,710	-
Operations	992,757	1,987,699	1,349,587	4,330,043	-
Distribution	379,377	2,612,518	-	2,991,895	-
Insurance	-	-	-	-	592,919
Insurance claims	-	-	-	-	1,874,376
Administrative and general	305,035	177,310	32,418	514,763	1,775,389
Depreciation and amortization	621,370	686,715	-	1,308,085	-
Total operating expenses	4,645,249	5,464,242	1,382,005	11,491,496	4,242,684
OPERATING INCOME (LOSS)	2,441,946	(1,526,847)	8,960	924,059	(1,239,646)
NONOPERATING REVENUES (EXPENSES)					
Interest income	224,785	170,732	-	395,517	124,106
Capital contributions	-	-	9,157	9,157	-
Sales tax revenue - restricted	434,334	434,334	-	868,668	-
Interest expenses	(178,660)	(35,970)	-	(214,630)	-
Transfers in	1,232,120	376,019	-	1,608,139	-
Total nonoperating revenues (expenses)	1,712,579	945,115	9,157	2,666,851	124,106
CHANGE IN NET POSITION	4,154,525	(581,732)	18,117	3,590,910	(1,115,540)
NET POSITION - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)	10,866,451	22,561,444	132,745	33,560,640	3,148,217
NET POSITION - END OF YEAR	\$ 15,020,976	\$ 21,979,712	\$ 150,862	\$ 37,151,550	\$ 2,032,677

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, 2025
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	\$ 7,079,791	\$ 3,932,394	\$ 1,394,625	\$ 12,406,810	\$ 3,003,038
Payments to suppliers for goods and services	(3,108,294)	(4,802,092)	(1,373,157)	(9,283,543)	(4,090,390)
Payments to employees and professional contractors for services	(1,106,203)	(367,068)	(5,001)	(1,478,272)	(4,999)
Net cash provided by (used in) operating activities	<u>2,865,294</u>	<u>(1,236,766)</u>	<u>16,467</u>	<u>1,644,995</u>	<u>(1,092,351)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	1,232,120	376,019	-	1,608,139	-
Other nonoperating revenues	434,334	434,334	9,157	877,825	-
Net cash provided by noncapital financing activities	<u>1,666,454</u>	<u>810,353</u>	<u>9,157</u>	<u>2,485,964</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Net movement on capital assets	(4,243,682)	(840,100)	-	(5,083,782)	-
Interest received	224,785	170,732	-	395,517	124,106
Interest expenses paid	(178,660)	(35,970)	-	(214,630)	-
Net movement on subscription and leases	(9,866)	-	-	(9,866)	-
Net movement on long-term liabilities	2,060,332	1,500,153	-	3,560,485	-
Net cash provided by (used in) capital and related financing activities	<u>(2,147,091)</u>	<u>794,815</u>	<u>-</u>	<u>(1,352,276)</u>	<u>124,106</u>
NET INCREASE IN CASH AND RESTRICTED CASH AND CASH EQUIVALENTS	<u>2,384,657</u>	<u>368,402</u>	<u>25,624</u>	<u>2,778,683</u>	<u>(968,245)</u>
CASH AND RETRICTED CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>4,301,079</u>	<u>4,116,996</u>	<u>178,039</u>	<u>8,596,114</u>	<u>3,105,620</u>
CASH AND RESTRICTED CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,685,736</u>	<u>\$ 4,485,398</u>	<u>\$ 203,663</u>	<u>\$ 11,374,797</u>	<u>\$ 2,137,375</u>
SUPPLEMENTAL SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Noncash changes in assets and liabilities related to leases:					
Right-of-use asset	\$ 16,989	\$ -	\$ -	\$ 16,989	\$ -
Lease liability	16,989	-	-	16,989	-

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, 2025
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)	\$ 2,441,946	\$ (1,526,847)	\$ 8,960	\$ 924,059	\$ (1,239,646)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	621,370	686,715	-	1,308,085	-
(Increase) decrease in assets:					
(Increase) decrease in receivables	(7,404)	(5,001)	3,660	(8,745)	-
Increase in inventories	(58,793)	-	-	(58,793)	-
Increase in prepaid expenses	(11,177)	(8,100)	-	(19,277)	-
Increase (decrease) in liabilities:					
Increase (decrease) in accounts payable and accrued expenses	(84,335)	(370,002)	3,847	(450,490)	147,295
Decrease in net pension and OPEB asset (liability)	(88,533)	(30,260)	-	(118,793)	-
Increase in deferred pension charges	52,220	16,729	-	68,949	-
Net cash provided by (used in) operating activities	<u>\$ 2,865,294</u>	<u>\$ (1,236,766)</u>	<u>\$ 16,467</u>	<u>\$ 1,644,995</u>	<u>\$ (1,092,351)</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, 2025
Exhibit J

	<u>Pension Trust Funds</u>
ASSETS	
Cash and cash equivalents	\$ 759,021
Investments, at fair value:	
Investments held in the Illinois Police Officers' Pension Investment Fund (IPOPFI)	22,470,634
Investments held in the Illinois Firefighters' Pension Investment Fund (IFPFI)	19,588,413
Total investments	<u>42,059,047</u>
Receivables	
Accounts	140
Property and replacement taxes, net	1,849,700
Due from other funds	959,538
Interest and dividends	34,535
Total receivables	<u>2,843,913</u>
Total assets	<u>45,661,981</u>
 LIABILITIES	
Accounts payable and accrued expenses	328,977
Due to other funds	3,816
Total liabilities	<u>332,793</u>
 NET POSITION	
Restricted for pension benefits	<u><u>\$ 45,329,188</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, 2025
Exhibit K

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Employer, transfers from other funds	\$ 2,416,360
Employees	502,367
Total contributions	<u>2,918,727</u>
Investment income	
Net appreciation in fair value of investments	2,854,423
Interest and dividends	593,071
Gain on sale of investments	642,896
Total investment income	<u>4,090,390</u>
Investment expense	<u>(45,905)</u>
Net investment income	<u>4,044,485</u>
Total additions	<u>6,963,212</u>
DEDUCTIONS	
Pensions paid to plan participants	3,893,157
Member transfer of service payments	36,823
Refunds of contributions	106,676
Administrative expenses	54,574
Total deductions	<u>4,091,230</u>
CHANGE IN FIDUCIARY NET POSITION	2,871,982
NET POSITION - BEGINNING OF YEAR AS RESTATED (SEE NOTE 13)	<u>42,457,206</u>
NET POSITION - END OF YEAR	<u><u>\$ 45,329,188</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:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City Housing Authority of Mt. Vernon provides public housing to qualified residents. The City council appoints all members of the Board of Commissioners of the Authority. The Authority is not a component unit nor a joint venture of the City because it is autonomous in its operations and because the City has no financial accountability over the Authority.

The Illinois Municipal Retirement Fund (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 5. 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 several years, in addition to in-kind support by providing office space in its Municipal West building. JCDC moved to its own office space and the in-kind contribution stopped in fiscal year 2023.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2025.

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Rte 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.

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

continuing basis be financed or recovered primarily 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 contributions are

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2, or

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 disclosed in Note 1.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Employees are eligible to receive all vacation time and a portion of accumulated sick time. In the government-wide financial statements, the City recognizes a liability when the earned leave is available for use and expected to be paid upon termination, or retirement. The liability is measured based on the amount of leave expected to be paid, using the pay rates expected to be in effect at the time of payment. For governmental funds, the amount of compensated absences payable from available resources is recorded only when due for payment, such as when an employee retires or resigns.

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 50%-75% 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2025, the City implemented applicable sections of GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections*, and GASB Statement No. 101, *Compensated Absences*. The portion of GASB Statement No. 99 enhanced comparability in accounting and financial reporting and improved the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees related to derivative instruments. GASB Statement No. 100 enhanced accounting and financial reporting requirements for accounting changes and error corrections. GASB Statement No. 101 provided updates on the recognition and measurement guidance for compensated absences.

As a result of implementing GASB Statement No.100, there were no changes to the City's reporting, accounting, or presentation of error corrections in the financial statements. However, due to the adoption of GASB Statement No. 101, the City restated the prior year fund balance to reflect the new accounting guidance. The implementation of GASB Statement No. 99 did not have a significant impact on 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, 2025, the carrying amount of the City's deposits (including deposits under Fiduciary Fund of \$759,021) was \$55,045,746. This amount consisted of cash deposited with the financial institutions. The total bank balance as of April 30, 2025 was \$55,468,940.

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

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.

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, 2025, the City had the following investment:

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investment type	Fair Value	Average Credit Rating	Weighted Average Maturity (Years)
Investment pool - Contrarian Capital Holdings	\$ 55,385	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, 2024. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org.

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, 2024. 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,

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

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.

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, 2025.

Net Asset Value - The Net Asset Value (NAV) of the Police Pension Fund’s pooled investment in IPOPIF was \$22,470,634 at April 30, 2025. 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, 2025. 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 \$19,588,413 at April 30, 2025. 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, 2025. 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.

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investment Rate of Return - For the year ended April 30, 2025, the annual money-weighted rate of return on Police Pension Fund investments and Firefighters' Pension Fund investments, net of pension plan investment expense, was 7.21%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Restricted Assets

Restricted cash as of April 30, 2025, comprise of the following:

Governmental activities:		
D.U.I. fines	\$	14,310
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		39,326
Unclaimed evidence		65,961
Anti-crime FNS		39,994
Abandoned money		4,097
Business-type activities:		
Customer deposits		100
Total	\$	<u>196,773</u>

Liabilities payable from the restricted assets under governmental activities totaled \$68,538 and the fund balance restricted in the general corporate fund due to the asset restrictions totaled \$196,673 as of April 30, 2025.

Liabilities payable from restricted assets totaled \$100 in the enterprise fund.

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 3 CAPITAL ASSETS

A summary of changes in capital assets of the City for the year ended April 30, 2025 is as follows:

	Balance April 30, 2024	Additions	Disposals/ Adjustments	Balance April 30, 2025
Governmental activities:				
Non-depreciable assets:				
Land	\$ 4,176,681	\$ 285,000	\$ (142,375)	\$ 4,319,306
Construction in progress	902,571	—	(902,571)	—
Total non-depreciable assets	5,079,252	285,000	(1,044,946)	4,319,306
Depreciable assets:				
Infrastructure	68,108,793	2,673,064	—	70,781,857
Buildings	15,847,294	—	—	15,847,294
Machinery and equipment	4,976,838	438,895	—	5,415,733
Furniture and fixtures	355,781	166,352	—	522,133
Vehicles	9,998,116	270,116	901,426	11,169,658
Right-to-use assets	360,684	762,568	(26,680)	1,096,572
Subscription asset	45,429	—	(45,429)	—
Total depreciable assets	99,692,935	4,310,995	829,317	104,833,247
Total	104,772,187	4,595,995	(215,629)	109,152,553
Less: accumulated depreciation/amortization				
Infrastructure	29,610,580	2,648,969	—	32,259,549
Buildings	2,556,089	130,544	—	2,686,633
Machinery and equipment	2,231,310	343,294	—	2,574,604
Furniture and fixtures	122,356	31,103	—	153,459
Vehicles	6,477,348	786,501	(19,864)	7,243,985
Right-to-use assets	163,110	144,585	(26,680)	281,015
Subscription asset	29,429	16,000	(45,429)	—
Total	41,190,222	4,100,996	(91,973)	45,199,245
Capital assets, net	\$ 63,581,965	\$ 494,999	\$ (123,656)	\$ 63,953,308
Business-type activities:				
Depreciable assets:				
Buildings and structures	\$ 6,792,598	\$ —	\$ —	\$ 6,792,598
Equipment	2,686,584	—	—	2,686,584
Vehicles	101,701	—	—	101,701
Water and sanitary sewer lines	47,441,728	5,066,793	—	52,508,521
Right-to-use assets	—	16,989	—	16,989
Subscription asset	52,860	—	(52,860)	—
Total	57,075,471	5,083,782	(52,860)	62,106,393
Less: accumulated depreciation/amortization				
Buildings and structures	781,342	48,787	—	830,129
Equipment	366,015	86,802	—	452,817
Vehicles	89,477	3,408	—	92,885
Water and sanitary sewer lines	18,619,656	1,150,629	—	19,769,561
Right-to-use assets	—	566	—	566
Subscription asset	34,243	18,617	(52,860)	—
Total	19,890,733	1,308,809	(52,860)	21,145,958
Capital assets, net	\$ 37,184,738	\$ 3,774,973	\$ —	\$ 40,960,435

Depreciation expense is charged to functions as follows:

Governmental activities:	
Community development	\$ 1,528,050
General government	2,412,361
Total	\$ 3,940,411

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 3 CAPITAL ASSETS (Continued)

Business-type activities	
Water Fund	\$ 601,810
Sewer Fund	687,816
Total	<u>\$ 1,289,626</u>

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

Governmental activities:	
General government	<u>\$ 160,585</u>
Business-type activities:	
Water fund	<u>\$ 19,183</u>

NOTE 4 INTERFUND ACTIVITIES

Due From (To) Other Funds

Interfund due to/from other fund balances at April 30, 2025 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	\$ 253,816	\$ 416,314
Nonmajor Governmental Funds:		
Downtown TIF	—	250,000
Pension Sales Tax	416,314	959,538
Fiduciary Funds:		
Police Pension	362,650	2,230
Firefighters' Pension	596,888	1,586
Total	<u>\$ 1,629,668</u>	<u>\$ 1,629,668</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, 2025, interfund transfers consist of the following:

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 4 INTERFUND ACTIVITIES (Continued)

	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$ —	\$ 4,656,018
Home Rule Sales Tax	—	1,502,048
Nonmajor Governmental Funds:		
Convention and Visitors' Bureau	20,796	—
Pension Sales Tax	—	1,287,229
Rte 15 and I-57 TIF	3,400,000	—
Proprietary Funds:		
Water Fund	1,232,120	—
Sewer Fund	376,019	—
Fiduciary Funds:		
Police Pension	1,101,239	—
Firefighters' Pension	1,315,121	—
Total	<u>\$ 7,445,295</u>	<u>\$ 7,445,295</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.

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

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 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, 2024, the following employees were covered by the benefit terms:

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

	IMRF
Retirees and beneficiaries currently receiving benefits	130
Inactive plan member entitled to but not yet receiving benefits	53
Active plan members	80
Total	263

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 2024 was 6.46%. For the year ended April 30, 2025, the City contributed \$297,354 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.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability (asset) 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, 2024:

- 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.

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

- 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, 2024:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	4.35%
International equity	18.0%	5.40%
Fixed income	24.5%	5.20%
Real estate	10.5%	6.4%
Alternatives	12.5%	
Private equity		6.25%
Hedge funds		N/A
Commodities		4.85%
Cash equivalents	1.0%	3.60%
Total	100%	

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

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

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 4.08%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) – (B)
Balances as of December 31, 2023	\$ 34,778,665	\$ 34,349,288	\$ 429,377
Changes for the year:			
Service cost	403,370	–	403,370
Interest on the total pension liability	2,470,269	–	2,470,269
Differences between expected and actual experience of the total pension liability	(651,573)	–	(651,573)
Changes of assumptions	–	–	–
Contributions - employer	–	287,926	(287,926)
Contributions - employees	–	312,822	(312,822)
Net investment income	–	2,553,547	(2,553,547)
Benefit payment, including refunds of employee contributions	(2,396,786)	(2,396,786)	–
Other (net transfer)	–	(31,138)	31,138
Net changes	(174,720)	726,371	(901,091)
Balances as of December 31, 2024	<u>\$ 34,603,945</u>	<u>\$ 35,075,659</u>	<u>\$ (471,714)</u>

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

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)	\$ 3,339,977	\$ (471,714)	\$(3,017,175)

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

For the year ended April 30, 2025, the City recognized pension expense of \$142,989. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	\$ 222,290	\$ 408,285
Changes in assumptions	—	14,065
Net difference between projected and actual earnings on pension plan investments	1,488,476	—
Total deferred amounts to be recognized in pension expense in future periods	1,710,766	422,350
Pension contributions made subsequent to the measurement date	96,070	—
Total deferred amounts related to pension	<u>\$ 1,806,836</u>	<u>\$ 422,350</u>

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

\$96,070 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 (asset) in the reporting year ending April 30, 2026. 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
2025	\$ 622,019
2026	1,250,546
2027	(541,133)
2028	(43,016)
2029	—
Thereafter	—
Total	<u>\$ 1,288,416</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.

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, 2025, the measurement date, membership consisted of the following:

	<u>Police Pension</u>
Inactive plan members or beneficiaries currently receiving benefits	39
Inactive plan members entitled to but not yet receiving benefits	11
Active plan members	41
Total number of members	<u>91</u>

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Police Pension Plan (Continued)

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 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., $\frac{1}{2}\%$ 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.

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Police Pension Plan (Continued)

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, 2025, the City's contribution was 29.62% of the covered payroll.

Investments

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

<u>Asset Class</u>	<u>Long-term Expected Rate of Return</u>	<u>Long-term Inflation Expectation</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. large	5.70%	2.50%	3.20%	23.00%
U.S. small	6.60%	2.50%	4.10%	5.00%
International developed	6.70%	2.50%	4.20%	19.00%
International developed small	7.60%	2.50%	5.10%	5.00%
Emerging markets	7.00%	2.50%	4.50%	6.00%
Private equity	8.00%	2.50%	5.50%	7.00%
High yield corp. credit	6.80%	2.50%	4.30%	3.00%
Emerging market debt	7.05%	2.50%	4.55%	3.00%
Bank loans	7.30%	2.50%	4.80%	3.00%
Private credit	8.20%	2.50%	5.70%	5.00%
Real estate	6.90%	2.50%	4.40%	5.00%
Infrastructure	8.10%	2.50%	5.60%	3.00%
Cash	3.90%	2.50%	1.40%	1.00%
Short-term gov't/credit	4.30%	2.50%	1.80%	3.00%
U.S. treasury	4.10%	2.50%	1.60%	3.00%
U.S. TIPS	4.10%	2.50%	1.60%	3.00%
Core fixed income	4.90%	2.50%	2.40%	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.

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Police Pension Plan (Continued)

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, 2025, 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, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.21%. 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.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of April 30, 2025 using the following actuarial methods and assumptions:

Actuarial cost method	Projected unit credit
Asset valuation method	Fair Value
Amortization	Level % pay

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Police Pension Plan (Continued)

Actuarial assumptions:

Discount rate used for the total pension liability	6.22%
Expected rate of return on investments	6.75%
High-quality 20 year tax-exempt G.O. bond rate	5.24%
Projected individual pay increases	2.75% -18.75%
Projected total payroll increase	3.25%
Consumer price index (urban)	2.50%
Inflation rate	2.50%

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates. 25% of active Member deaths are assumed to be in the Line of Duty. Retiree Mortality follows the L&A Assumption Study for Police 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved fully generationally using MP-2021 Improvement Rates. Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates. Spouse Mortality follows the L&A Assumption Study for Police 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors improved to 2021 using MP-2021 Improvement Rates. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. These rates are then improved generationally using MP-2021 Improvement Rates.

Discount Rate

The discount rate used to measure the total pension liability was 6.22%. 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 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 5.24% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2025, to arrive at a discount rate of 6.22% used to determine the total pension liability.

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Police Pension Plan (Continued)

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 6.22% 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 5.22% or 1 percentage point higher 7.22% than the current rate:

	1% Decrease 5.22%	Current Discount Rate 6.22%	1% Increase 7.22%
Net pension liability	\$ 22,626,944	\$ 16,580,342	\$ 12,310,870

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.

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, 2024	\$ 41,081,254	\$ 22,616,135	\$ 18,465,119
Changes for the year:			
Service cost	753,893	–	753,893
Interest on the total pension liability	2,395,266	–	2,395,266
Differences between expected and actual experience of the total pension liability	(25,112)	–	(25,112)
Changes in assumptions	(1,477,224)	–	(1,477,224)
Contributions - employer	–	1,101,239	(1,101,239)
Contributions - employees	–	298,148	(298,148)
Net investment income	–	2,156,428	(2,156,428)
Benefit payment, including refunds of employee contributions	(2,197,074)	(2,197,074)	–
Other (net transfer)	–	(24,215)	24,215
Net changes	(550,251)	1,334,526	(1,884,777)
Balances as of April 30, 2025	\$ 40,531,003	\$ 23,950,661	\$ 16,580,342

**As restated*

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Police Pension Plan (Continued)

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

For the year ended April 30, 2025, the City recognized pension expense for police pension of \$1,355,937. As of April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	\$ 556,055	\$ 645,083
Assumption changes	2,721,410	3,620,785
Net difference between projected and actual earnings on pension plan investments	507,461	—
Total	<u><u>\$ 3,784,926</u></u>	<u><u>\$ 4,265,868</u></u>

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

<u>Years Ending April 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2026	\$ 749,951
2027	32,398
2028	(252,764)
2029	(525,073)
2030	(336,580)
Thereafter	(148,874)
Total	<u><u>\$ (480,942)</u></u>

NOTE 5 RETIREMENT COMMITMENTS (Continued)

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 a five-member pension board which are appointed by the Mayor or elected by pension fund members.

Plan Membership

At April 30, 2025, the measurement date, membership consisted of the following:

	<u>Firefighters' Pension</u>
Inactive plan members or beneficiaries currently receiving benefits	37
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>28</u>
Total number of members	<u><u>68</u></u>

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.

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Firefighters' Pension Plan (Continued)

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 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, 2025, the City's contribution was 43.46% of the covered payroll.

Investments

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

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Firefighters' Pension Plan (Continued)

Asset Class	Long-term Expected Rate of Return	Long-term Inflation Expectation	Long-term Expected Real Rate of Return	Target Allocation
U.S. equity	7.60%	2.50%	5.10%	25.00%
Developed market equity (Non-US)	7.70%	2.50%	5.20%	13.00%
Emerging market equity	8.40%	2.50%	5.90%	7.00%
Private equity	11.50%	2.50%	9.00%	10.00%
Public credit	5.40%	2.50%	2.90%	3.00%
Private credit	9.60%	2.50%	7.10%	7.00%
Core fixed income	5.00%	2.50%	2.50%	9.00%
Core plus fixed income	5.50%	2.50%	3.00%	9.00%
Short-term treasuries	3.50%	2.50%	1.00%	3.00%
Real estate	6.40%	2.50%	3.90%	10.00%
Infrastructure	6.90%	2.50%	4.40%	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, 2025, 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.

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Firefighters' Pension Plan (Continued)

Rate of Return

For the year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.21%. 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, 2025 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	6.22%
Expected rate of return on investments	6.75%
High-quality 20 year tax-exempt G.O. bond rate	5.24%
Projected individual pay increases	3.50% - 7.05%
Projected total payroll increase	3.25%
Consumer price index (urban)	2.50%
Inflation rate	2.50%

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates. 25% of active Member deaths are assumed to be in the Line of Duty. Retiree Mortality follows the L&A Assumption Study for Firefighters 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates. Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates. Spouse Mortality follows the L&A Assumption Study for Firefighters 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors improved to 2021 using MP-2021 Improvement Rates. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. These rates are then improved generationally using MP-2021 Improvement Rates.

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.22%. 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 5.24% for tax exempt general obligation municipal bonds rated AA or better as of April 30, 2025, to arrive at a discount rate of 6.22% 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 6.22% 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 5.22% or 1 percentage point higher 7.22% than the current rate:

	1% Decrease 5.22%	Current Discount Rate 6.22%	1% Increase 7.22%
Net pension liability	\$ 23,585,155	\$ 17,476,162	\$ 13,380,673

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.

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Firefighters' 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, 2024	\$ 36,210,372	\$ 19,841,071 *	\$ 16,369,301
Changes for the year:			
Service cost	634,488	–	634,488
Interest on the total pension liability	2,216,585	–	2,216,585
Differences between expected and actual experience of the total pension liability	1,246,300	–	1,246,300
Changes in assumptions	386,526	–	386,526
Contributions - employer	–	1,315,121	(1,315,121)
Contributions - employees	–	204,219	(204,218)
Net investment income	–	1,888,057	(1,888,057)
Benefit payment, including refunds of employee contributions	(1,839,582)	(1,839,582)	–
Other (net transfer)	–	(30,359)	30,359
Net Changes	2,644,317	1,537,456	1,106,861
Balances as of April 30, 2025	\$ 38,854,689	\$ 21,378,527	\$ 17,476,162

*As restated

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

For the year ended April 30, 2025, the City recognized pension expense for fire pension of \$1,332,386. As of April 30, 2025, 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	\$ 1,374,422	\$ 641,817
Assumption changes	2,233,125	1,271,934
Net difference between projected and actual earnings on pension plan investments	132,179	–
Total	\$ 3,739,726	\$ 1,913,751

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:

NOTE 5 RETIREMENT COMMITMENTS (Continued)

Firefighters' Pension Plan (Continued)

<u>Years Ending April 30,</u>	<u>Net Deferred Outflows of Resources</u>
2026	\$ 964,904
2027	522,331
2028	131,086
2029	147,883
2030	59,771
Thereafter	—
Total	<u>\$ 1,825,975</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.

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.

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (Continued)

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, 2025, participant data consisted of:

	<u>Participants</u>
Total active employees	161
Inactive employees currently receiving benefit payments	67
Inactive employees entitled to but not yet receiving benefit payments	—
Total	<u><u>228</u></u>

Total OPEB Liability

The City's total OPEB liability of \$8,185,440 for year ended April 30, 2025 has been developed based on the April 30, 2025 actuarial valuation date.

Actuarial Assumptions

The total OPEB liability in the April 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Discount rate used for the total OPEB liability	5.24%
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	5.24%
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 2025, initial trend rate of 5.00% to ultimate trend of 5.00%.
Retirement and disability rates	Post-65: For fiscal years on and after 2025, initial trend rate of 7.90% to ultimate trend of 5.00%. IMRF: Based on Rates from IMRF Experience Study Report dated January 4, 2024.
Termination rates	Police: 100% of Assumption Study Cap Age 65 for Police 2024. Firefighters: 100% of Assumption Study Cap Age 65 for Firefighters 2024. IMRF: Based on Rates from IMRF Experience Study Report dated January 4, 2024.
	Police: 150% of Assumption Study Cap Age 65 for Police 2024.
	Firefighters: 100% of Assumption Study Cap Age 65 for Firefighters 2024.

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (Continued)

IMRF Mortality was based on the PubG2010(B) Improved Generationally using MP-2021 Improvement Rates, weighted per IMRF Experience Study Report dated January 4, 2024.

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 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.
- Retiree Mortality follows the Assumption Study for Police and Firefighters 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.
- Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.
- Spouse Mortality follows the Assumption Study for Police and Firefighters 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors improved to 2021 using MP-2021 Improvement Rates. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. These rates are then improved generationally using MP-2021 Improvement Rates.

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, 2025

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in Total OPEB Liability

	Total OPEB Liability
Balance as of April 30, 2024	<u>\$ 7,614,224</u>
Changes for the year:	
Service cost	146,767
Interest	295,689
Differences between expected and actual experience of the total OPEB liability	65,236
Changes of assumptions	761,821
Contributions - employer	—
Contributions - employees	—
Net investment income	—
Benefit payments	<u>(698,297)</u>
Net changes	571,216
Balance as of April 30, 2025	<u><u>\$ 8,185,440</u></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, 2025 is 5.24%. 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 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 5.24%, 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 (6.24%) or 1-percentage-point lower (4.24%) than the current discount rate:

	1% Decrease (4.24%)	Current Discount Rate (5.24%)	1% Increase (6.24%)
Employer's net OPEB liability	\$ 8,845,157	\$ 8,185,440	\$ 7,600,897

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.

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.

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (Continued)

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Employer's net OPEB liability	\$ 7,496,327	\$ 8,185,440	\$ 8,977,286

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

For the year ended April 30, 2025, the City recognized OPEB expense of \$473,846. At April 30, 2025, 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	\$ 1,593,147	\$ 1,122,903
Assumption changes	1,136,238	897,610
Total	<u>\$ 2,729,385</u>	<u>\$ 2,020,513</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
2026	\$ 31,390
2027	24,849
2028	(59,501)
2029	(50,088)
2030	202,536
Thereafter	559,686
Total	<u>\$ 708,872</u>

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

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, 2025:

Type of Debt	Balance April 30, 2024	Additions	Deductions	Balance April 30, 2025	Amounts Due Within One Year
Governmental activities					
General obligation bonds	\$ 26,885,482	\$ —	\$ (2,015,651)	\$ 24,869,831	\$ 2,090,981
Unamortized bond premium	4,555,870	—	(351,266)	4,204,604	364,408
Total general obligation bonds	31,441,352	—	(2,366,917)	29,074,435	2,455,389
Net pension liability					
IMRF	330,620	—	(330,620)	—	—
Police Pension	18,465,119	*	(1,884,777)	16,580,342	—
Firefighters' Pension	16,369,300	*	—	17,476,162	—
OPEB liability	6,497,979	487,475	—	6,985,454	—
Compensated absences	1,463,193	*	(263,731)	1,199,462	—
Loans payable	731,846	1,435,000	(175,484)	1,991,362	353,398
Lease payable	197,276	762,568	(142,951)	816,893	223,340
Subscription payable	22,609	—	(22,609)	—	—
Total	\$ 75,519,294	\$ 3,791,905	\$ (5,187,089)	\$ 74,124,110	\$ 3,032,127
Business-type activities:					
General obligation bonds	\$ 4,064,518	\$ —	\$ (384,349)	\$ 3,680,169	\$ 399,019
Unamortized bond premium	691,013	—	(67,608)	623,405	70,188
Total general obligation bonds	4,755,531	—	(451,957)	4,303,574	469,207
Net pension liability – IMRF	98,757	—	(98,757)	—	—
OPEB liability	1,116,245	83,741	—	1,199,986	—
Compensated absence	134,088	—	(5,948)	128,140	—
Loans payable	6,263,589	4,360,522	(342,131)	10,281,979	481,017
Lease payable	—	16,689	(548)	16,441	3,314
Subscription payable	26,307	—	(26,307)	—	—
Total	\$ 12,394,517	\$ 4,460,952	\$ (925,648)	\$ 15,930,120	\$ 953,538

*As restated

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, 2025

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, 2025, amortization of bond premium was \$418,874.

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
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
2030	2,447,522	626,426	467,478	79,374
Thereafter	13,538,141	2,293,286	1,516,859	122,914
Total	<u>\$24,869,831</u>	<u>\$ 6,331,110</u>	<u>\$ 3,680,169</u>	<u>\$ 692,690</u>

Loans Payable

The City has issued various loans as follows:

	Maturity Date	Interest Rates	Amount
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

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 7 LONG-TERM OBLIGATIONS (Continued)

	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Amount</u>
IEPA loan dated 12/31/21 - semi-annual payment \$54,284	3/17/2043	1.01%	1,950,189
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 \$108,739	3/22/2044	0.83%	6,615,014
IEPA loan dated 11/21/23 - semi-annual payment \$42,712	6/19/2055	1.36%	2,098,565
IEPA loan dated 11/08/23 - semi-annual payment \$10,799	12/13/2054	1.36%	530,586
Note dated 6/06/24 – unsecured – annual payment \$253,478	6/06/2031	5.53%	1,435,000
Total			<u>\$ 16,551,846</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>
2026	\$ 353,398	\$ 95,970	\$ 481,019	\$ 105,653
2027	368,128	81,240	464,656	100,782
2028	383,542	65,826	469,313	96,125
2029	203,785	49,693	474,018	91,420
2030	215,211	38,267	478,772	86,666
Thereafter	467,298	39,657	7,914,201	776,360
Total	<u>\$ 1,991,362</u>	<u>\$ 370,653</u>	<u>\$ 10,281,979</u>	<u>\$ 1,257,006</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.

The City has several non-cancellable operating lease agreements with GFI Digital, Inc. for copiers with monthly payments ranging from \$245 to \$482 for forty eight to 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.

The City has several non-cancellable operating lease agreement with Great America Financial Services and Tri State Mailing for folder/inserters/mail opener with monthly payments ranging from \$272 to \$293 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 – 60 months. The City was leasing 42 vehicles as of April 30, 2025.

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, 2025, intangible right-to-use lease assets amounted to \$831,980, 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, 2025, were as follows:

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

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

Years Ending April 30,	Principal Payments	Interest Payments	Total
2026	\$ 226,654	\$ 10,875	\$ 237,529
2027	175,704	7,615	183,319
2028	178,854	4,965	183,819
2029	156,754	2,422	159,176
2030	95,368	490	95,858
Total	<u>\$ 833,334</u>	<u>\$ 26,367</u>	<u>\$ 859,701</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, 2025, have not yet been finalized. Accordingly, the City's compliance with applicable program requirements will be established at some future date.

The amount, if any, of unrecorded liabilities to the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial. Additionally, some financial assistance programs place restrictions on the use and disposition of certain property acquired with program funds.

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Starting September 1, 1997, the City 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

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 9 RISK MANAGEMENT (Continued)

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, 2025, 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, 2025, 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, 2025 and 2024 are as follows:

	2025	2024
Claims liability - beginning	\$ 17,878	\$ 204,611
Incurred claims	1,874,376	2,671,018
Claim payments	(1,726,448)	(2,857,751)
Claims liability - ending	<u>\$ 165,806</u>	<u>\$ 17,878</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, 2025. Major commitments of the City were as follows:

	Amount
Governmental Funds:	
Quality of Life - 44 th street construction	\$ 1,170,323
Proprietary Funds:	
Water Fund - Phase 3 IEPA Water Line Construction	376,883

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, 2025.

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

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

NOTE 11 TAX INCREMENT FINANCING FUNDS (Continued)

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 PRIOR PERIOD ADJUSTMENTS

The City restated its net position/fund balance as of May 1, 2024 due to the following:

- A. To record accrued compensated absences for earned and unused sick and vacation leaves as a result of implementation of GASB Statement No. 101, *Compensated Absences*.
- B. To record prior period adjustments due to underfunding of the Firefighters' and Police Pension Plans in prior year.
- C. To correct interfund balance

A reconciliation of net position reported in prior period financial statements and as restated follows:

	Governmental Activities	Business-type Activities
Net position, beginning of year, as previously reported	\$ 34,649,416	\$ 33,694,728
Recording of accrued compensated absences	<u>(1,463,193)</u>	<u>(134,088)</u>
Net position, beginning of year, as restated	<u>\$ 33,186,223</u>	<u>\$ 33,560,640</u>

City of Mt. Vernon, Illinois
Notes to the Financial Statements
April 30, 2025

NOTE 13 PRIOR PERIOD ADJUSTMENTS (Continued)

	General Fund	Nonmajor Governmental Funds	Pension Sales Tax
Fund balance, beginning of year, as previously reported	\$ 17,959,865	\$ 13,839,727	\$ 2,820,918
Adjustment to net pension contributions – Police Pension	–	(152,789)	(152,789)
Adjustment to net pension contributions – Firefighters’ Pension	–	(232,206)	(232,206)
Adjustment to interfund balance	(416,314)	416,314	416,314
Fund balance, beginning of year, as restated	<u>\$ 17,543,551</u>	<u>\$ 13,871,046</u>	<u>\$ 2,852,237</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	
Net position, beginning of year, as previously reported	\$ 10,968,087	\$ 22,593,896	
Recording of accrued compensated absences	(101,636)	(32,452)	
Net position, beginning of year, as restated	<u>\$ 10,866,451</u>	<u>\$ 22,561,444</u>	
	<u>Police Pension Fund</u>	<u>Firefighters’ Pension Fund</u>	<u>Fiduciary Funds</u>
Net position, beginning of year, as previously reported	\$ 22,463,346	\$ 19,608,865	\$ 42,072,211
Adjustment to net pension contributions – Police Pension	152,789	–	152,789
Adjustment to net pension contributions – Firefighters’ Pension	–	232,206	232,206
Net position, beginning of year, as restated	<u>\$ 22,616,135</u>	<u>\$ 19,841,071</u>	<u>\$ 42,457,206</u>

NOTE 14 SUBSEQUENT EVENTS

The City evaluated subsequent events through January 15, 2026, the date the financial statements were available to be issued. In the course of this evaluation, the City has not identified other 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, 2025

	General Fund				Home Rule 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	\$ 14,466,591	\$ 14,466,591	\$ 13,154,312	\$ (1,312,279)	\$ 5,100,000	\$ 5,100,000	\$ 4,435,678	\$ (664,322)
Use taxes	500,000	500,000	488,517	(11,483)	-	-	-	-
Hotel/motel taxes	938,015	938,015	1,023,961	85,946	-	-	-	-
Property taxes	2,475,300	2,475,300	2,457,163	(18,137)	-	-	-	-
Franchise and utility taxes	143,000	143,000	83,354	(59,646)	-	-	-	-
Public service taxes	1,661,014	1,661,014	3,968,934	2,307,920	-	-	-	-
Licenses, fines, fees and permits	537,225	537,225	482,160	(55,065)	-	-	-	-
Grants and contributions	18,500	18,500	860	(17,640)	-	-	-	-
Charges for services	631,468	631,468	596,875	(34,593)	-	-	-	-
Investment income	571,434	571,434	853,789	282,355	175,751	175,751	283,264	107,513
Miscellaneous	50	50	246,381	246,331	-	-	-	-
Total revenues	21,942,597	21,942,597	23,356,306	1,413,709	5,275,751	5,275,751	4,718,942	(556,809)
EXPENDITURES								
Current								
General government	7,859,498	7,859,498	5,760,030	2,099,468	884,361	884,361	71,945	812,416
Public safety	10,204,659	10,204,659	10,193,970	10,689	-	-	-	-
Public works	1,938,620	1,938,620	1,671,408	267,212	-	-	-	-
Culture and recreation	778,239	778,239	-	778,239	-	-	-	-
Capital outlay	-	-	12,719	(12,719)	2,592,000	2,592,000	2,164,170	427,830
Debt service								
Principal	-	-	29,341	(29,341)	96,516	96,516	217,688	121,172
Interest and fiscal charges	-	-	834	(834)	94,761	94,761	100,711	5,950
Total disbursements	20,781,016	20,781,016	17,668,302	3,112,714	3,667,638	3,667,638	2,554,514	1,367,368
EXCESS OF REVENUES OVER EXPENDITURES	1,161,581	1,161,581	5,688,004	4,526,423	1,608,113	1,608,113	2,164,428	810,559
OTHER FINANCING SOURCES (USES)								
Transfers in (out)	(3,275,470)	(3,275,470)	(4,656,018)	(1,380,548)	(2,842,207)	(2,842,207)	(1,502,048)	1,340,159
Other financing source - lease	-	-	11,438	11,438	-	-	751,130	751,130
Total other financing sources (uses)	(3,275,470)	(3,275,470)	(4,644,580)	(1,369,110)	(2,842,207)	(2,842,207)	(750,918)	2,091,289
NET CHANGE IN FUND BALANCES	<u>\$ (2,113,889)</u>	<u>\$ (2,113,889)</u>	1,043,424	<u>\$ 3,157,313</u>	<u>\$ (1,234,094)</u>	<u>\$ (1,234,094)</u>	1,413,510	<u>\$ 2,901,848</u>
NET POSITION - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)			17,543,551				5,401,962	
FUND BALANCES - END OF YEAR			<u>\$ 18,586,975</u>				<u>\$ 6,815,472</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, 2025

	Total			Variance with Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Sales taxes	\$ 19,566,591	\$ 19,566,591	\$ 17,589,990	\$ (1,976,601)
Use taxes	500,000	500,000	488,517	(11,483)
Hotel/motel taxes	938,015	938,015	1,023,961	85,946
Property taxes	2,475,300	2,475,300	2,457,163	(18,137)
Franchise and utility taxes	143,000	143,000	83,354	(59,646)
Public service taxes	1,661,014	1,661,014	3,968,934	2,307,920
Licenses, fines, fees and permits	537,225	537,225	482,160	(55,065)
Grants and contributions	18,500	18,500	860	(17,640)
Charges for services	631,468	631,468	596,875	(34,593)
Investment income	747,185	747,185	1,137,053	389,868
Miscellaneous	50	50	246,381	246,331
Total revenues	27,218,348	27,218,348	28,075,248	856,900
EXPENDITURES				
Current				
General government	8,743,859	8,743,859	5,831,975	2,911,884
Public safety	10,204,659	10,204,659	10,193,970	10,689
Public works	1,938,620	1,938,620	1,671,408	267,212
Culture and recreation	778,239	778,239	-	778,239
Capital outlay	2,592,000	2,592,000	2,176,889	415,111
Debt service				
Principal	96,516	96,516	247,029	150,513
Interest and fiscal charges	94,761	94,761	101,545	6,784
Total disbursements	24,448,654	24,448,654	20,222,816	4,540,432
EXCESS OF REVENUES OVER EXPENDITURES	2,769,694	2,769,694	7,852,432	5,397,332
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(6,117,677)	(6,117,677)	(6,158,066)	(40,389)
Other financing source - lease	-	-	762,568	762,568
Total other financing sources (uses)	(6,117,677)	(6,117,677)	(5,395,498)	722,179
NET CHANGE IN FUND BALANCES	\$ (3,347,983)	\$ (3,347,983)	2,456,934	\$ 6,119,511
NET POSITION - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)			22,945,513	
FUND BALANCES - END OF YEAR			\$ 25,402,447	

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

Calendar year ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 403,370	\$ 392,737	\$ 366,243	\$ 371,231	\$ 394,797	\$ 397,118	\$ 365,511	\$ 393,336	\$ 420,770	\$ 447,233
Interest on the total pension liability	2,470,269	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	(651,573)	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	(2,396,786)	(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	(174,720)	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	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	29,171,557
Total pension liability - ending (A)	\$34,603,945	\$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	\$ 287,926	\$ 214,540	\$ 374,436	\$ 455,161	\$ 522,212	\$ 389,637	\$ 518,376	\$ 442,180	\$ 1,620,935	\$ 587,963
Contributions - employees	312,822	321,587	307,952	168,025	173,685	169,244	166,264	167,076	223,818	302,026
Net investment income	2,553,547	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	(2,396,786)	(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)	(31,138)	(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	726,371	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	34,349,288	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)	\$35,075,659	\$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)	\$ (471,714)	\$ 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	101.36%	98.77%	93.42%	115.46%	103.86%	95.78%	84.89%	98.49%	86.89%	85.18%
Covered payroll	\$ 4,457,057	\$ 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	(10.58%)	9.77%	54.31%	(142.91%)	(34.20%)	38.14%	137.70%	13.63%	109.63%	112.79%

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
Last Ten 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
2025	\$ 297,354	\$ 297,354	\$ -	\$ 4,546,463	6.54%
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 2024 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 2024 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>	19-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, 2024 actuarial valuation.

City of Mt. Vernon, Illinois
Required Supplementary Information
For the Year Ended April 30, 2025

Police Pension Fund										
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios										
Last Ten Years										
Year Ended April 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 753,893	\$ 750,848	\$ 723,902	\$ 595,548	\$ 585,683	\$ 654,838	\$ 658,250	\$ 624,578	\$ 587,893	\$ 509,241
Interest	2,395,266	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	(25,112)	751,710	(353,372)	(864,054)	(109,516)	(71,130)	110,306	167,695	(192,998)	-
Changes in assumptions	(1,477,224)	(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	(2,197,074)	(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	(550,251)	(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	41,081,254	41,394,657	40,428,151	35,035,876	34,078,359	35,834,118	33,721,623	32,264,491	29,946,040	28,859,077
Total pension liability - ending (A)	\$ 40,531,003	\$ 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	\$ 1,101,239	\$ 901,737	\$ 963,748	\$ 1,077,072	\$ 1,070,796	\$ 967,543	\$ 914,270	\$ 656,263	\$ 935,025	\$ 872,624
Contributions - members	298,148	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)	2,156,428	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	(2,197,074)	(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	(24,215)	(18,598)	(14,694)	(14,705)	(13,945)	(14,173)	(13,547)	(15,680)	(15,997)	(32,995)
Net change in fiduciary net position	\$ 1,334,526	\$ 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	22,616,135 *	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)	\$ 23,950,661	\$ 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)	\$ 16,580,342	\$ 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	59.09%	54.68%	51.52%	56.17%	70.63%	56.36%	56.78%	59.12%	59.20%	59.43%
Covered Payroll	\$ 3,009,500	\$ 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	550.93%	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 the year due to correction of errors.

**Police Pension Fund
Schedule of Employer Contributions
Last Ten Years**

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2025	\$ 1,101,239	\$ 891,378	\$ 209,861	\$ 3,009,500	29.62%
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, 2024 Actuarial Valuation completed by the Illinois Police Officers' Pension Investment Fund for the December 2024 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 16 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

City of Mt. Vernon, Illinois
Required Supplementary Information
For the Year Ended April 30, 2025

Police Pension Fund
Schedule of Investment Returns
Last Ten Years

Year Ended April 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2025	7.21%
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%)

Firefighters' Pension Fund										
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios										
Last Ten Years										
Year Ended April 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 634,488	\$ 690,344	\$ 573,058	\$ 515,298	\$ 505,285	\$ 604,160	\$ 554,525	\$ 536,372	\$ 503,305	\$ 414,252
Interest	2,216,585	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	1,246,300	582,676	(646,584)	(1,428,318)	(178,393)	406,349	(284,774)	(40,278)	31,103	-
Changes in assumptions	386,526	(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	(1,839,582)	(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	2,644,317	(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	36,210,372	36,447,530	32,637,714	31,581,218	30,652,911	30,995,472	28,516,864	27,424,581	25,960,577	25,084,766
Total pension liability - ending (A)	\$ 38,854,689	\$ 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	\$ 1,315,121	\$ 961,479	\$ 1,083,607	\$ 1,230,511	\$ 1,185,567	\$ 1,102,789	\$ 965,697	\$ 970,825	\$ 763,136	\$ 751,183
Contributions - members	204,219	204,755	193,371	188,166	185,827	181,340	181,439	185,102	181,858	185,080
Net investment income (loss)	1,888,057	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	(1,839,582)	(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	(30,359)	(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	1,537,456	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	19,841,071 *	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)	\$ 21,378,527	\$ 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)	\$ 17,476,162	\$ 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	55.02%	54.15%	50.14%	57.20%	62.78%	46.58%	52.03%	56.27%	55.04%	53.32%
Covered Payroll	\$ 2,187,158	\$ 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	799.04%	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.

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

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2025	\$ 1,315,121	\$ 950,439	\$ 364,682	\$ 2,187,158	43.46%
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, 2024 Actuarial Valuation completed by the Illinois Firefighters' Pension Investment Fund for the December 2024 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 16 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

City of Mt. Vernon, Illinois
Required Supplementary Information
For the Year Ended April 30, 2025

Firefighters' Pension Fund
Schedule of Investment Returns
Last Ten Years

Year Ended April 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2025	7.21%
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%)

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

Measurement Date April 30,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total OPEB liability										
Service Cost	\$ 146,767	\$ 152,141	\$ 148,822	\$ 165,297	\$ 199,887	\$ 155,342	\$ 144,639	\$ 29,323	\$ 17,847	\$ 21,478
Interest	295,689	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	65,236	-	2,236,733	-	(2,652,753)	-	-	-	-	-
Changes in assumptions	761,821	(309,847)	(141,968)	(999,395)	(46,150)	1,450,769	124,238	-	-	-
Benefit payments	(698,297)	(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	<u>571,216</u>	<u>(550,833)</u>	<u>1,860,878</u>	<u>(1,288,396)</u>	<u>(3,058,875)</u>	<u>1,132,288</u>	<u>(198,094)</u>	<u>(239,368)</u>	<u>(344,273)</u>	<u>(268,763)</u>
Total OPEB liability - beginning	<u>7,614,224</u>	<u>8,165,057</u>	<u>6,304,179</u>	<u>7,592,575</u>	<u>10,651,450</u>	<u>9,519,162</u>	<u>9,717,256</u>	<u>9,956,624</u>	<u>10,300,897</u>	<u>10,569,660</u>
Total OPEB liability - ending (A)	<u>\$ 8,185,440</u>	<u>\$ 7,614,224</u>	<u>\$ 8,165,057</u>	<u>\$ 6,304,179</u>	<u>\$ 7,592,575</u>	<u>\$ 10,651,450</u>	<u>\$ 9,519,162</u>	<u>\$ 9,717,256</u>	<u>\$ 9,956,624</u>	<u>\$ 10,300,897</u>
Covered valuation payroll	\$ 11,466,004	\$ 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	71.39%	70.48%	77.84%	70.16%	86.83%	137.02%	125.82%	114.27%	111.73%	107.43%

SUPPLEMENTARY INFORMATION

City of Mt. Vernon, Illinois
Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2025
Schedule 1

	Convention and Visitor's Bureau	Rte 15 and I-57 TIF	Industrial Park Construction TIF	Pension Sales Tax	General Corporate Capital	Motor Fuel Tax	Downtown TIF	Quality of Life	Total
ASSETS									
Cash and cash equivalents	\$ 27,553	\$ 1,528,544	\$ 757,368	\$ 3,922,381	\$ 3,039,086	\$ 1,530,497	\$ 936,500	4,489,936	\$ 16,231,865
Receivables									
Accounts, net	146,428	-	-	-	-	-	1,600	-	148,028
Property and replacement taxes	-	358,398	648,814	556,001	-	-	559,718	-	2,122,931
Prepaid expenses	777	-	-	-	-	-	-	-	777
Due from other governments	-	-	-	329,750	351,571	51,871	-	676,918	1,410,110
Due from other funds	-	-	-	416,314	-	-	-	-	416,314
Inventories	1,380	-	-	-	-	-	-	-	1,380
Total assets	<u>\$ 176,138</u>	<u>\$ 1,886,942</u>	<u>\$ 1,406,182</u>	<u>\$ 5,224,446</u>	<u>\$ 3,390,657</u>	<u>\$ 1,582,368</u>	<u>\$ 1,497,818</u>	<u>\$ 5,166,854</u>	<u>\$ 20,331,405</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts payable and accrued expenses	\$ 156,125	\$ -	\$ -	\$ -	\$ 3,858	\$ -	\$ -	\$ 6,756	\$ 166,739
Due to other funds	-	-	-	959,538	-	-	250,000	-	1,209,538
Unearned revenue	14,672	-	-	-	-	-	-	-	14,672
Total liabilities	<u>170,797</u>	<u>-</u>	<u>-</u>	<u>959,538</u>	<u>3,858</u>	<u>-</u>	<u>250,000</u>	<u>6,756</u>	<u>1,390,949</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	-	358,398	648,814	678,441	-	-	559,718	244,880	2,490,251
FUND BALANCES									
Nonspendable	2,157	-	-	-	-	-	-	-	2,157
Restricted:									
Public works	-	-	-	-	-	1,582,368	-	-	1,582,368
Community development	-	1,528,544	757,368	-	-	-	688,100	-	2,974,012
Culture and recreation	3,184	-	-	-	-	-	-	-	3,184
Capital projects	-	-	-	-	3,386,799	-	-	-	3,386,799
Committed:									
Pension sales tax	-	-	-	3,586,467	-	-	-	-	3,586,467
Quality of life	-	-	-	-	-	-	-	4,915,218	4,915,218
Total fund balances	<u>5,341</u>	<u>1,528,544</u>	<u>757,368</u>	<u>3,586,467</u>	<u>3,386,799</u>	<u>1,582,368</u>	<u>688,100</u>	<u>4,915,218</u>	<u>16,450,205</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 176,138</u>	<u>\$ 1,886,942</u>	<u>\$ 1,406,182</u>	<u>\$ 5,224,446</u>	<u>\$ 3,390,657</u>	<u>\$ 1,582,368</u>	<u>\$ 1,497,818</u>	<u>\$ 5,166,854</u>	<u>\$ 20,331,405</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, 2025
Schedule 2

	Convention and Visitor's Bureau	Rte 15 and I-57 TIF	Industrial Park Construction TIF	Pension Sales Tax	General Corporate Capital	Motor Fuel Tax	Downtown TIF	Quality of Life	Total
REVENUES									
Sales taxes	\$ -	\$ -	\$ -	\$ 1,312,999	\$ 1,528,454	\$ -	\$ -	\$ 2,628,190	\$ 5,469,643
Motor fuel taxes	-	-	-	-	-	659,640	-	-	659,640
Hotel/motel taxes	454,834	-	-	-	-	-	-	-	454,834
Property taxes	-	429,670	460,166	552,239	-	-	670,684	-	2,112,759
Grants and contributions	239,209	-	-	166,039	-	-	-	-	405,248
Interest and investment income	3,903	73,280	32,317	-	156,028	64,090	69,477	231,805	630,900
Charges for services	6,367	-	-	-	-	-	34,725	-	41,092
Total revenues	704,313	502,950	492,483	2,031,277	1,684,482	723,730	774,886	2,859,995	9,774,116
EXPENDITURES									
Current:									
General government	-	-	-	9,818	20,264	-	-	101,724	131,806
Public works	-	-	-	-	-	319,151	-	-	319,151
Culture and recreation	977,839	-	-	-	-	-	-	-	977,839
Community development	-	359,129	238,122	-	-	-	1,717,967	-	2,315,218
Capital outlay	-	2,359,388	-	-	990,396	-	-	570,243	3,920,027
Debt service:									
Principal	15,046	-	-	-	864,363	-	50,000	1,180,255	2,109,664
Interest and fiscal charges	1,754	-	-	-	311,805	-	15,800	660,460	989,819
Total expenditures	994,639	2,718,517	238,122	9,818	2,186,828	319,151	1,783,767	2,512,682	10,763,524
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(290,326)</u>	<u>(2,215,567)</u>	<u>254,361</u>	<u>2,021,459</u>	<u>(502,346)</u>	<u>404,579</u>	<u>(1,008,881)</u>	<u>347,313</u>	<u>(989,408)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in (out)	20,796	3,400,000	-	(1,287,229)	-	-	-	-	2,133,567
Proceeds from issuance of loans	-	-	-	-	-	-	1,435,000	-	1,435,000
Total other financing sources (uses)	20,796	3,400,000	-	(1,287,229)	-	-	1,435,000	-	3,568,567
NET CHANGE IN FUND BALANCES	(269,530)	1,184,433	254,361	734,230	(502,346)	404,579	426,119	347,313	2,579,159
FUND BALANCES - BEGINNING OF YEAR AS RESTATED (SEE NOTE 13)	274,871	344,111	503,007	2,852,237	3,889,145	1,177,789	261,981	4,567,905	13,871,046
FUND BALANCES - END OF YEAR	<u>\$ 5,341</u>	<u>\$ 1,528,544</u>	<u>\$ 757,368</u>	<u>\$ 3,586,467</u>	<u>\$ 3,386,799</u>	<u>\$ 1,582,368</u>	<u>\$ 688,100</u>	<u>\$ 4,915,218</u>	<u>\$ 16,450,205</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, 2025
Schedule 3

	Convention and Visitor's Bureau				Rte 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	454,834	(183,376)	-	-	-	-
Property taxes	-	-	-	-	330,000	330,000	429,670	99,670
Grants and contributions	171,232	171,232	239,209	67,977	-	-	-	-
Investment income	10,488	10,488	3,903	(6,585)	400	400	73,280	72,880
Charges for services	5,900	5,900	6,367	467	-	-	-	-
Miscellaneous	5,800	5,800	-	(5,800)	-	-	-	-
Total revenues	831,630	831,630	704,313	(127,317)	330,400	330,400	502,950	172,550
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Culture and recreation	990,081	990,081	977,839	12,242	-	-	-	-
Community development	-	-	-	-	299,500	299,500	359,129	(59,629)
Capital outlay	-	-	-	-	4,203,084	4,203,084	2,359,388	1,843,696
Debt service:								
Principal	-	-	15,046	(15,046)	-	-	-	-
Interest and fiscal charges	-	-	1,754	(1,754)	-	-	-	-
Total disbursements	990,081	990,081	994,639	(4,558)	4,502,584	4,502,584	2,718,517	1,784,067
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(158,451)	(158,451)	(290,326)	(131,875)	(4,172,184)	(4,172,184)	(2,215,567)	1,956,617
OTHER FINANCING SOURCES (USES)								
Transfers in (out)	25,684	25,684	20,796	(4,888)	3,985,346	3,985,346	3,400,000	(585,346)
Proceeds from issuance of loans	-	-	-	-	-	-	-	-
Total other financing sources (uses)	25,684	25,684	20,796	(4,888)	3,985,346	3,985,346	3,400,000	(585,346)
NET CHANGE IN FUND BALANCES	<u>\$ (132,767)</u>	<u>\$ (132,767)</u>	(269,530)	<u>\$ (136,763)</u>	<u>\$ (186,838)</u>	<u>\$ (186,838)</u>	1,184,433	<u>\$ 1,371,271</u>
FUND BALANCES - BEGINNING OF YEAR AS RESTATED (SEE NOTE 13)			274,871				344,111	
FUND BALANCES - END OF YEAR			<u>\$ 5,341</u>				<u>\$ 1,528,544</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, 2025
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	\$ 1,312,999	\$ 259,950
Motor fuel taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Property taxes	556,000	556,000	460,166	(95,834)	124,530	124,530	552,239	427,709
Grants and contributions	-	-	-	-	-	-	166,039	166,039
Investment income	1,500	1,500	32,317	30,817	99,500	99,500	-	(99,500)
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	557,500	557,500	492,483	(65,017)	1,277,079	1,277,079	2,031,277	754,198
EXPENDITURES								
Current:								
General government	-	-	-	-	25,000	25,000	9,818	15,182
Public works	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	323,500	323,500	238,122	85,378	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total disbursements	323,500	323,500	238,122	85,378	25,000	25,000	9,818	15,182
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	234,000	234,000	254,361	20,361	1,252,079	1,252,079	2,021,459	769,380
OTHER FINANCING SOURCES (USES)								
Transfers in (out)	(588,346)	(588,346)	-	588,346	(1,266,849)	(1,266,849)	(1,287,229)	(20,380)
Proceeds from issuance of loans	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(588,346)	(588,346)	-	588,346	(1,266,849)	(1,266,849)	(1,287,229)	(20,380)
NET CHANGE IN FUND BALANCES	\$ (354,346)	\$ (354,346)	254,361	\$ 608,707	\$ (14,770)	\$ (14,770)	734,230	\$ 749,000
FUND BALANCES - BEGINNING OF YEAR AS RESTATED (SEE NOTE 13)			503,007				2,852,237	
FUND BALANCES - END OF YEAR			\$ 757,368				\$ 3,586,467	

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, 2025
Schedule 3 (Continued)

	General Corporate Capital				Motor Fuel 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	\$ 1,365,500	\$ 1,365,500	\$ 1,528,454	\$ 162,954	\$ -	\$ -	\$ -	\$ -
Motor fuel taxes	-	-	-	-	625,615	625,615	659,640	34,025
Hotel/motel taxes	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-
Grants and contributions	200,000	200,000	-	(200,000)	452,711	452,711	-	(452,711)
Investment income	200,000	200,000	156,028	(43,972)	4,000	4,000	64,090	60,090
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	1,765,500	1,765,500	1,684,482	(81,018)	1,082,326	1,082,326	723,730	(358,596)
EXPENDITURES								
Current:								
General government	902,101	899,501	20,264	879,237	-	-	-	-
Public works	-	-	-	-	1,158,087	1,158,087	319,151	838,936
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Capital outlay	2,253,000	2,223,600	990,396	1,233,204	-	-	-	-
Debt service:								
Principal	864,275	864,275	864,363	(88)	-	-	-	-
Interest and fiscal charges	311,803	311,803	311,805	(2)	-	-	-	-
Total disbursements	4,331,179	4,299,179	2,186,828	2,112,351	1,158,087	1,158,087	319,151	838,936
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,565,679)	(2,533,679)	(502,346)	2,031,333	(75,761)	(75,761)	404,579	480,340
OTHER FINANCING SOURCES (USES)								
Transfers in (out)	-	-	-	-	-	-	-	-
Proceeds from issuance of loans	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>\$ (2,565,679)</u>	<u>\$ (2,533,679)</u>	(502,346)	<u>\$ 2,031,333</u>	<u>\$ (75,761)</u>	<u>\$ (75,761)</u>	404,579	<u>\$ 480,340</u>
FUND BALANCES - BEGINNING OF YEAR AS RESTATED (SEE NOTE 13)			3,889,145				1,177,789	
FUND BALANCES - END OF YEAR			<u>\$ 3,386,799</u>				<u>\$ 1,582,368</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, 2025
Schedule 3 (Continued)

	Downtown TIF				Quality of Life			
	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	\$ -	\$ -	\$ -	\$ -	\$ 2,153,000	\$ 2,153,000	\$ 2,628,190	\$ 475,190
Motor fuel taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Property taxes	471,000	471,000	670,684	199,684	-	-	-	-
Grants and contributions	-	-	-	-	3,985,400	3,985,400	-	(3,985,400)
Investment income	-	-	69,477	69,477	721,275	721,275	231,805	(489,470)
Charges for services	37,882	37,882	34,725	(3,157)	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	508,882	508,882	774,886	266,004	6,859,675	6,859,675	2,859,995	(3,999,680)
EXPENDITURES								
Current:								
General government	-	-	-	-	2,062,760	2,062,760	101,724	1,961,036
Public works	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	2,748,732	2,748,732	1,717,967	1,030,765	-	-	-	-
Capital outlay	-	-	-	-	7,079,057	7,079,057	570,243	6,508,814
Debt service:								
Principal	50,000	50,000	50,000	-	1,180,254	1,180,254	1,180,255	(1)
Interest and fiscal charges	15,800	15,800	15,800	-	660,460	660,460	660,460	-
Total disbursements	2,814,532	2,814,532	1,783,767	1,030,765	10,982,531	10,982,531	2,512,682	8,469,849
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,305,650)	(2,305,650)	(1,008,881)	1,296,769	(4,122,856)	(4,122,856)	347,313	4,470,169
OTHER FINANCING SOURCES (USES)								
Transfers in (out)	-	-	-	-	-	-	-	-
Proceeds from issuance of loans	1,440,000	1,440,000	1,435,000	(5,000)	-	-	-	-
Total other financing sources (uses)	1,440,000	1,440,000	1,435,000	(5,000)	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>\$ (865,650)</u>	<u>\$ (865,650)</u>	426,119	<u>\$ 1,291,769</u>	<u>\$ (4,122,856)</u>	<u>\$ (4,122,856)</u>	347,313	<u>\$ 4,470,169</u>
FUND BALANCES - BEGINNING OF YEAR AS RESTATED (SEE NOTE 13)			261,981				4,567,905	
FUND BALANCES - END OF YEAR			<u>\$ 688,100</u>				<u>\$ 4,915,218</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, 2025
Schedule 3 (Continued)

	Total Nonmajor Governmental Funds			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Sales taxes	\$ 4,571,549	\$ 4,571,549	\$ 5,469,643	\$ 898,094
Motor fuel taxes	625,615	625,615	659,640	34,025
Hotel/motel taxes	638,210	638,210	454,834	(183,376)
Property taxes	1,481,530	1,481,530	2,112,759	631,229
Grants and contributions	4,809,343	4,809,343	405,248	(4,404,095)
Investment income	1,037,163	1,037,163	630,900	(406,263)
Charges for services	43,782	43,782	41,092	(2,690)
Miscellaneous	5,800	5,800	-	(5,800)
Total revenues	13,212,992	13,212,992	9,774,116	(3,438,876)
EXPENDITURES				
Current:				
General government	2,989,861	2,987,261	131,806	(2,855,455)
Public works	1,158,087	1,158,087	319,151	(838,936)
Culture and recreation	990,081	990,081	977,839	(12,242)
Community development	3,371,732	3,371,732	2,315,218	(1,056,514)
Capital outlay	13,535,141	13,505,741	3,920,027	(9,585,714)
Debt service:				
Principal	2,094,529	2,094,529	2,109,664	15,135
Interest and fiscal charges	988,063	988,063	989,819	1,756
Total disbursements	25,127,494	25,095,494	10,763,524	(14,331,970)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,914,502)	(11,882,502)	(989,408)	10,893,094
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	2,155,835	2,155,835	2,133,567	(22,268)
Proceeds from issuance of loans	1,440,000	1,440,000	1,435,000	(5,000)
Total other financing sources (uses)	3,595,835	3,595,835	3,568,567	(27,268)
NET CHANGE IN FUND BALANCES	\$ (8,318,667)	\$ (8,286,667)	2,579,159	\$ 10,865,826
FUND BALANCES - BEGINNING OF YEAR AS RESTATED (SEE NOTE 13)			13,871,046	
FUND BALANCES - END OF YEAR			\$ 16,450,205	

City of Mt. Vernon, Illinois
Fiduciary Funds
Combining Statement of Fiduciary Net Position
April 30, 2025
Schedule 4

	Pension Trust Funds		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 360,863	\$ 398,158	\$ 759,021
Investments, at fair value:			
Investments held in the Illinois Police Officers' Pension Investment Fund (IPOPIF)	22,470,634	-	22,470,634
Investments held in the Illinois Firefighters' Pension Investment Fund (IFPIF)	-	19,588,413	19,588,413
Total investments	22,470,634	19,588,413	42,059,047
Receivables			
Accounts	140	-	140
Property and replacement taxes, net	895,200	954,500	1,849,700
Due from other funds	362,650	596,888	959,538
Interest and dividends	34,535	-	34,535
Total receivables	1,292,525	1,551,388	2,843,913
Total assets	24,124,022	21,537,959	45,661,981
LIABILITIES			
Accounts payable and accrued expenses	171,131	157,846	328,977
Due to other funds	2,230	1,586	3,816
Total liabilities	173,361	159,432	332,793
NET POSITION			
Restricted for pension benefits	\$ 23,950,661	\$ 21,378,527	\$ 45,329,188

City of Mt. Vernon, Illinois
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended April 30, 2025
Schedule 5

	Pension Trust Funds		
	Police Pension Fund	Firefighters' Pension Fund	Total
ADDITIONS			
Contributions			
Employer, transfers from other funds	\$ 1,101,239	\$ 1,315,121	\$ 2,416,360
Employees	298,148	204,219	502,367
Total contributions	1,399,387	1,519,340	2,918,727
Investment income			
Net appreciation in fair value of investments	1,560,933	1,293,490	2,854,423
Interest and dividends	188,829	404,242	593,071
Gain on sale of investments	421,510	221,386	642,896
Total investment income	2,171,272	1,919,118	4,090,390
Investment expense	(14,844)	(31,061)	(45,905)
Net investment income	2,156,428	1,888,057	4,044,485
Total additions	3,555,815	3,407,397	6,963,212
DEDUCTIONS			
Pensions paid to plan participants	2,053,575	1,839,582	3,893,157
Member transfer of service payments	36,823	-	36,823
Refunds of contributions	106,676	-	106,676
Administrative expenses	24,215	30,359	54,574
Total deductions	2,221,289	1,869,941	4,091,230
CHANGE IN FIDUCIARY NET POSITION	1,334,526	1,537,456	2,871,982
NET POSITION - BEGINNING OF YEAR			
AS RESTATED (SEE NOTE 13)	22,616,135	19,841,071	42,457,206
NET POSITION - END OF YEAR	<u>\$ 23,950,661</u>	<u>\$ 21,378,527</u>	<u>\$ 45,329,188</u>

STATISTICAL SECTION

City of Mt. Vernon, Illinois
Statistical Section
For the Year Ended April 30, 2025

Net position by Component
Last Ten Fiscal Years

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 32,070,618	\$ 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
Restricted	8,201,054	6,704,075	4,312,897	2,132,005	1,531,212	830,592	835,197	715,220	535,423	280,821
Unrestricted	(1,723,633)	(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)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 38,548,039</u>	<u>\$ 34,649,416</u>	<u>\$ 25,889,896</u>	<u>\$ 25,889,896</u>	<u>\$ 11,734,283</u>	<u>\$ 5,131,632</u>	<u>\$ 4,495,389</u>	<u>\$ 1,636,442</u>	<u>\$ 10,518,139</u>	<u>\$ 9,756,647</u>
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 26,478,659	\$ 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
Unrestricted	10,672,891	7,529,110	6,038,883	6,727,556	1,722,679	1,378,029	556,209	(682,786)	782,523	1,401,937
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 37,151,550</u>	<u>\$ 33,694,728</u>	<u>\$ 30,472,332</u>	<u>\$ 30,472,332</u>	<u>\$ 23,305,506</u>	<u>\$ 19,962,293</u>	<u>\$ 16,364,209</u>	<u>\$ 13,224,261</u>	<u>\$ 13,803,762</u>	<u>\$ 12,734,089</u>
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 58,549,277	\$ 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
Restricted	8,201,054	6,704,075	4,312,897	2,132,005	1,531,212	830,592	835,197	715,220	535,423	280,821
Unrestricted	8,949,258	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)
TOTAL PRIMARY GOVERNMENT	<u>\$ 75,699,589</u>	<u>\$ 68,344,144</u>	<u>\$ 56,362,228</u>	<u>\$ 56,362,228</u>	<u>\$ 35,039,789</u>	<u>\$ 25,093,925</u>	<u>\$ 20,859,598</u>	<u>\$ 14,860,703</u>	<u>\$ 24,321,901</u>	<u>\$ 22,490,736</u>

City of Mt. Vernon, Illinois
Statistical Section
For the Year Ended April 30, 2025

Fiscal Year	Changes in Net position Last Ten Fiscal Years									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENSES										
Governmental activities:										
General government	\$ 13,986,723	\$ 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
Public safety	10,193,970	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
Public works	1,990,559	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
Engineering services	-	-	-	281,181	343,731	418,292	396,170	465,543	474,860	596,213
Culture and recreation	977,839	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
Community development	2,315,218	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
Interest on long-term debt	792,920	828,771	914,134	944,949	467,366	1,053,218	1,112,911	1,179,838	1,175,717	1,218,555
Capital outlay	1,500,921	1,716,081	54,917	-	-	-	-	-	-	-
Total governmental activities	31,758,150	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
Business-type activities:										
Water and sewer funds	10,109,491	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
Sanitation	1,382,005	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
Total business-type activities	11,491,496	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
Total primary government expenses	43,249,646	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
PROGRAM REVENUES										
Governmental activities:										
Charges for services										
General government	3,254,700	3,393,577	2,892,564	288,593	1,142,864	589,028	738,941	873,518	397,706	136,201
Public safety	345,213	423,221	394,410	411,882	238,396	373,594	293,455	228,379	240,197	276,220
Culture and recreation	6,367	2,541	27,120	389,936	140,710	461,720	517,467	525,816	517,723	520,606
Community development	34,725	37,882	37,882	43,232	41,956	3,928	6,601	1,034	2,104	2,202
Operating grants and contributions	406,108	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
Total governmental activities	4,047,113	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
Business-type activities:										
Charges for services										
Water and sewer funds	9,306,157	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
Sanitation	1,390,965	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
Operating grants and contributions	1,659,157	307,411	1,266,132	788,886	1,011,684	1,835,270	-	2,560	3,640	14,779
Total business-type activities	12,356,279	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
Total primary government program revenues	\$ 16,403,392	\$ 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

City of Mt. Vernon, Illinois
Statistical Section
For the Year Ended April 30, 2025

Fiscal Year	Changes in Net position Last Ten Fiscal Years									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NET EXPENSE (REVENUE)										
Governmental activities	\$ (27,711,037)	\$ (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)
Business-type activities	864,783	467,816	1,023,556	1,532,578	1,216,362	1,548,895	526,877	221,007	615,613	(765,713)
Total primary government net expense	<u>(26,846,254)</u>	<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>
GENERAL REVENUES (EXPENSES)										
Governmental activities:										
Taxes	34,600,408	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
Licenses, fines, fees and permits	482,160	500,624	570,354	169,000	4,500	15,421	24,848	8,592	12,675	18,958
Interest and investment income	1,892,059	2,191,500	1,042,913	96,179	91,633	286,223	291,059	269,453	124,252	47,746
Gain (loss) on asset disposals	(123,656)	(202,054)	(2,789,283)	1,740	212,390	(520)	9,525	9,655	138,223	(6,603)
Miscellaneous and others	246,381	1,571,453	55,253	76,238	71,805	75,986	92,824	88,399	167,831	79,486
Transfers in (out)	(4,024,499)	(2,927,367)	(2,506,564)	(3,304,719)	(2,487,704)	(2,217,778)	(2,543,240)	(753,949)	(441,826)	(417,060)
Total governmental activities	<u>33,072,853</u>	<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>
Business-type activities:										
Property taxes levied for employee benefits	-	-	-	-	38,200	37,806	37,820	37,869	-	-
Sales taxes restricted for construction	868,668	-	-	-	-	-	-	-	-	-
Gain (loss) on asset disposals	-	-	(775,788)	-	26,180	-	-	-	3,082	-
Interest and investment income	180,887	172,522	(233,278)	22,108	4,805	11,232	32,011	19,623	9,152	4,899
Miscellaneous	68,433	71,003	63,076	-	-	-	-	-	-	948
Transfers in (out)	1,608,139	2,511,055	2,305,898	2,842,208	2,057,666	2,000,151	2,543,240	753,949	441,826	417,060
Total business-type activities	<u>2,726,127</u>	<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>
Total primary government general revenues	<u>35,798,980</u>	<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>
CHANGE IN NET POSITION										
Governmental activities	5,361,816	8,759,520	6,735,452	7,844,151	6,602,651	636,243	2,858,947	218,466	761,479	(2,718,162)
Business-type activities	3,590,910	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)
Total primary government change in net position	<u>\$ 8,952,726</u>	<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>

City of Mt. Vernon, Illinois
Statistical Section
For the Year Ended April 30, 2025

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	\$ 23,356,306	\$ 14,493,058	\$ 12,415,555	\$ 3,003,038	\$ 6,963,212	\$ 60,231,169
Expenditures	<u>17,668,302</u>	<u>13,318,038</u>	<u>11,491,496</u>	<u>4,242,684</u>	<u>4,091,230</u>	<u>50,811,750</u>
Excess of Revenues over Expenditures	5,688,004	1,175,020	924,059	(1,239,646)	2,871,982	9,419,419
Other Income (Expenses)	<u>(4,644,580)</u>	<u>2,817,649</u>	<u>2,666,851</u>	<u>124,106</u>	<u>-</u>	<u>964,026</u>
Change in Fund Balance / Net Position	1,043,424	3,992,669	3,590,910	(1,115,540)	2,871,982	10,383,445
Fund Balance/Net Position - Beginning of Year	<u>17,543,551</u>	<u>19,273,008</u>	<u>33,560,640</u>	<u>3,148,217</u>	<u>42,457,206</u>	<u>115,982,622</u>
Fund Balance/Net Position - End of Year	<u><u>\$ 18,586,975</u></u>	<u><u>\$ 23,265,677</u></u>	<u><u>\$ 37,151,550</u></u>	<u><u>\$ 2,032,677</u></u>	<u><u>\$ 45,329,188</u></u>	<u><u>\$ 126,366,067</u></u>

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

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GENERAL FUND										
Nonspendable	\$ 15,870	\$ -	\$ 43,350	\$ 1,885	\$ 3,523	\$ 1,138	\$ 1,950	\$ 3,098	\$ 1,145	\$ 1,840
Restricted	254,691	254,691	254,691	246,335	218,806	242,863	314,808	355,008	380,222	188,375
Unassigned	18,316,414	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
TOTAL TOTAL GENERAL FUND	\$ 18,586,975	\$ 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
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ 91,982	\$ 1,520	\$ 1,380	\$ 1,380	\$ 1,564	\$ 1,545	\$ 2,157	\$ 1,853	\$ 2,346	\$ 2,499
Restricted	1,582,368	1,177,789	1,432,492	2,130,625	1,529,648	787,784	476,624	311,345	116,052	55,000
Committed	21,591,327	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
Assigned	-	-	-	-	9,574	-	1,297,537	4,560,313	8,135,686	12,316,956
Unassigned	-	-	-	11,184	90,954	4,360	2,428,973	1,797,769	3,073,634	3,000,916
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 23,265,677	\$ 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

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

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
REVENUES										
Taxes	\$ 34,308,795	\$ 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
Licenses, fines, fees and permits	482,160	500,624	570,354	63,645	71,789	75,986	92,824	87,388	167,830	79,494
Grants and contributions	406,108	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
Charges for services	637,967	780,307	735,318	1,133,641	728,962	1,118,020	1,099,433	939,096	897,516	935,229
Investment income (loss)	1,767,953	2,000,755	944,722	89,443	86,485	255,687	262,858	259,647	122,759	46,341
Miscellaneous	246,381	1,445,105	55,253	-	-	4,080	10,525	17,835	145,723	4,897
Total revenues	<u>37,849,364</u>	<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>
EXPENDITURES										
Current:										
General government	12,060,697	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
Public safety	10,193,970	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
Public works	1,990,559	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
Engineering services	-	-	-	394,832	390,067	391,071	381,256	394,003	487,417	605,936
Culture and recreation	977,839	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
Community development	2,315,218	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
Debt service - principal and interest	3,448,057	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
Total expenditures	<u>30,986,340</u>	<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>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,863,024</u>	<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>
OTHER FINANCING SOURCES (USES)										
Transfers in (out)	(4,024,499)	(2,927,367)	(2,506,564)	(3,304,719)	(2,487,704)	(2,217,778)	(2,543,240)	(753,949)	(441,826)	(417,060)
Other financing source - lease	762,568	80,919	-	-	-	-	-	-	-	-
Other financing source - subscription	-	45,429	-	-	-	-	-	-	-	-
Proceeds from issuance of loans	1,435,000	-	902,571	-	37,762,580	50,000	-	-	1,351,319	608,000
Proceeds from sale of assets	-	-	-	12,300	238,257	-	-	-	-	-
Total other financing sources (uses)	<u>(1,826,931)</u>	<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>
NET CHANGE IN FUND BALANCES	<u>\$ 5,036,093</u>	<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>

**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
2025	\$ 23,351,246	\$ 488,517	\$ 1,478,795	\$ 4,569,922	\$ 83,354	\$ 4,628,574	\$ 34,600,408
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

Sales Tax Rates Last Ten Calendar Years										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	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%	9.50%	8.25%	8.25%

Analysis of Property Tax Settlement Last Ten Calendar Years										
	2023 Taxes Settled in 2024 and 2025	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
Jefferson County Collectors' records:										
Charges										
Extension of tax	\$ 4,569,922	\$ 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
Errors and uncollected tax	-	-	-	-	-	(1,800)	(2,459)	(1,868)	4,416	(13,158)
Amount of tax on books	4,569,922	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
Other charges	-	-	-	-	-	-	-	-	-	-
Total Charges	4,569,922	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
Total received by County Collector for the City of Mt. Vernon, Illinois	4,425,733	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
Road and bridge tax	148,948	153,707	160,519	160,899	161,104	153,135	151,904	150,585	148,825	147,592
Total due the City of Mt. Vernon, Illinois distribution	\$ 4,574,681	\$ 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
City of Mt. Vernon, Illinois distribution by fund:										
General Corporate, including road and bridge tax	\$ 620,105	\$ 452,601	\$ 455,531	\$ 749,855	\$ 448,110	\$ 440,508	\$ 429,850	\$ 539,082	\$ 345,985	\$ 334,743
I.M.R.F.	552,239	743,224	736,850	438,907	734,857	666,106	702,661	699,444	747,943	713,902
Special Service Area Number One - administration	-	-	-	74,545	76,044	84,214	83,929	84,000	85,002	85,562
TIF Homestead	-	-	-	-	-	-	-	-	909	893
TIF Downtown	670,684	553,644	470,362	471,571	428,946	430,972	414,821	374,122	359,114	360,550
TIF IPC	460,166	556,527	556,583	549,897	533,294	322,492	137,129	3,913	2,584	2,244
TIF Route 15/I-57	429,670	357,836	329,670	329,915	326,105	295,626	285,473	249,316	244,300	176,820
Police Pension	891,378	897,867	890,201	892,952	887,719	888,872	827,608	745,288	817,427	657,796
Firefighters' Pension	950,439	957,353	949,152	952,120	946,553	947,788	909,543	762,209	772,569	838,156
Total distribution	\$ 4,574,681	\$ 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

City of Mt. Vernon, Illinois
Statistical Section
For the Year Ended April 30, 2025

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		
2025	\$ 29,074,435	\$ 1,991,362	\$ 4,303,574	\$ 10,281,979	\$ 45,651,350	3,246
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

City of Mt. Vernon, Illinois
Statistical Section
Schedule of Insurance Coverage
For the Year Ended April 30, 2025

Policy Number and Company	Expiration Date	Coverage	Amount Excluding Deductible
R5-1000552-2425-01 Illinois Counties Risk Management Trust	12/1/2025	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	\$118,725,601
		Property - Bus. Pers. Prop.	\$4,807,400
		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	\$3,076,050
		Mobile Equipment less than \$10,000 per item	\$2,370,155
		Unmanned Aircraft	\$6,800
		Equipment Breakdown Protection (Total Bldg. & Cont. Value)	\$100,000,000
		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 Enrolment	Unemployment Rate
2025	14,063	\$ 52,751	\$ 29,722	39.0	3,474	3.6%
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%

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

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

2025				2016			
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	3,300	22%
SSM Health-Good Samaritan Hospital	2	2,138	15%	Walgreens Distribution Center	2	1,385	9%
Walgreens Distribution Center	3	1,484	11%	SSM Health-Good Samaritan Hospital	3	1,108	7%
Walmart Store, Inc.	4	380	3%	Crossroads Community Hospital	4	325	2%
National Railway Equipment Company	5	376	3%	National Railway Equipment Company	5	300	2%
Mt. Vernon Township High School	6	300	2%	Mt. Vernon City Schools District 80	6	255	2%
Deaconess Illinois Crossroads	7	290	2%	City of Mt Vernon	7	172	1%
Mt. Vernon City Schools District 80	8	283	2%	Mt. Vernon Township High School	8	172	1%
Spero Family Services	9	197	1%	Peoples National Bank	9	118	1%
City of Mt Vernon	10	152	1%	Spero Family Services	10	114	1%
TOTAL		9,100	65%	TOTAL		7,249	48%