

VILLAGE OF MORTON GROVE, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Incredibly Close  Amazingly Open

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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VILLAGE OF MORTON GROVE, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2022

Prepared by:

Finance Department

Hanna Sullivan, Finance Director

VILLAGE OF MORTON GROVE, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village including:

- List of Principal Officials
- Organization Chart
- Letter of Transmittal
- GFOA Certificate of Achievement for Excellence in Financial Reporting

VILLAGE OF MORTON GROVE, ILLINOIS

Principal Officials

December 31, 2022

LEGISLATIVE

Daniel DiMaria, Village President
(Term Ends April 2025)

Eileen Scanlon Harford, Village Clerk
(Term Ends April 2025)

TRUSTEES

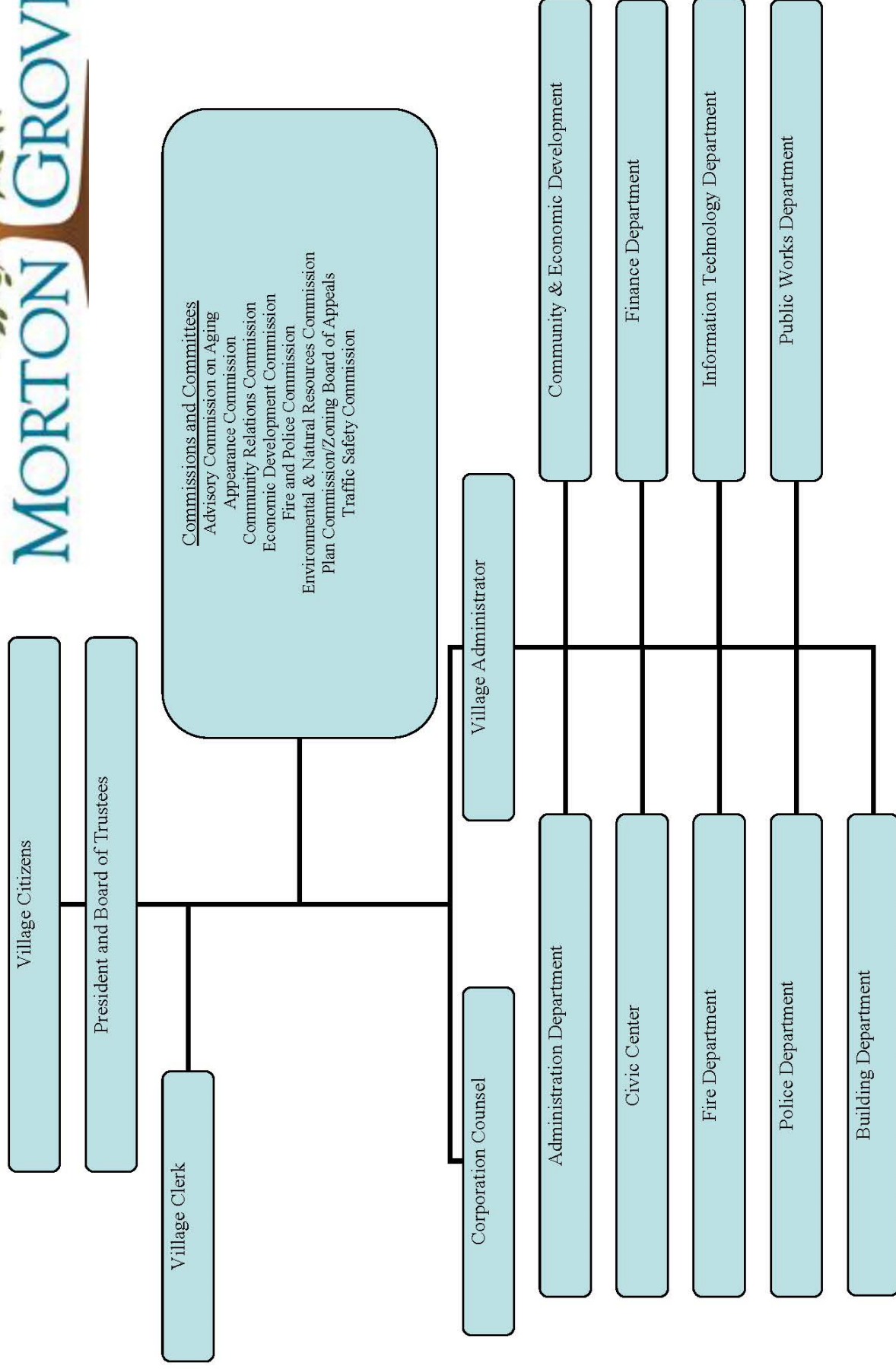
Ashur Shiba, Term Ends April 2023
Rita Minx, Term Ends April 2023
Connie Travis, Term Ends April 2024
John Thill, Term Ends April 2023
Janine Witko, Term Ends April 2023
Saba Khan, Term Ends April 2025

ADMINISTRATIVE

(Appointments End December 31, 2022)

Ralph Czerwinski, Village Administrator
Hanna Sullivan, Finance Director
Teresa Hoffman Liston, Corporation Counsel
Ralph Ensign, Fire Chief
Michael Simo, Police Chief
Joseph Dahm, Public Works Director
Daniel Didech, Adjudication Hearing Officer
Addis Greenberg, LLC, Village Prosecutor

Village of Morton Grove Organization Chart



August 21, 2023

The Citizens of the Village of Morton Grove,
Village President Dan DiMaria, Board of Trustees,
& Other Interested Parties

The Annual Comprehensive Financial Report of the Village of Morton Grove, Illinois for the year ended December 31, 2022, is hereby submitted as mandated by both local ordinance and state statute. These mandates require that the Village annually issue a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants.

Management staff assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management staff has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable assurance, rather than absolute assurance, that the financial statements will be free of any material misstatements. As management staff, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by Lauterbach & Amen LLP, a firm of independent certified public accountants. The independent auditor concluded that there was a reasonable basis for rendering an unmodified ("clean") opinion on the Village of Morton Grove's financial statements for the year ended December 31, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Village of Morton Grove

The Village of Morton Grove, incorporated in 1895, is a near north suburb of Chicago, located ten miles northeast of O'Hare International Airport. The Village encompasses an area of five square miles and has a population of 25,297 residents according to the 2020 census. The Village is a diversified and balanced community of residential areas, completed by commercial and light to medium manufacturing districts. Village residents are served by five elementary and two secondary school districts.

The Village of Morton Grove is governed as a home rule community under Illinois law and operates under a President/Trustee form of government with a full time Administrator. The home rule status was confirmed by a special referendum held on March 18, 1980.

As a home rule municipality, the Village is permitted to carry out its own governing procedures, except where specifically prohibited by the State Legislature. The Village President and six members Board of Trustees are elected at large for four-year terms. The President, with concurrence from the Board, appoints the Village Administrator and all Department Directors. The Village Administrator is the Chief Administrative Officer who oversees the day-to-day operations of the Village. The Village has eight departments: police, fire, public works, community and economic development, health and human services, code enforcement, finance, and administration.

The Village of Morton Grove Annual Comprehensive Financial Report includes all of its governmental operation funds, pension trust funds (the Morton Grove Firefighters' Pension Fund, Morton Grove Police Pension Fund, and the General Pension Fund). The accompanying financial statements include only those funds of the Village, as there is no other organization for which it has financial accountability. The pension funds are determined to be pension trust funds due to their fiduciary and fiscal relationships with the Village as their sole purpose is to provide retirement benefits to the Village's civilian employees, sworn firefighters and police officers. The Public Library is no longer reported as a discrete component unit with the implementation of GASB Statement No 61.

The annual budget serves as the foundation for the Village's financial planning and control. Budgetary appropriations for the operations of various Village departments are established through the adoption of an annual Budget Ordinance by the Village Board of Trustees.

On November 10, 1997, the Village Board of Trustees approved Ordinance 97-53 that changed the fiscal year end date from April 30 to December 31. This was done to align property tax receipts with the year they are intended to finance and allow the budget preparation process to begin when municipal operations are generally at a more manageable level.

Local Economy

The Village of Morton Grove's principal growth took place during the late 50's and early 60's when the population increase from 7,427 to 20,533 residents. The Village primarily consists of residential land uses. Significant industrial, office and commercial land uses are also located in the community. Little vacant land remains for commercial and office development or light manufacturing. Approximately twenty percent (20%) of the Village's land area is Cook County Forest Preserve property.

Although the Village's population has stabilized several years ago, it remains a vibrant economic community and is a desirable place to live. The unemployment rate remained relatively stable over the years: however, it had risen to 8.4% in 2020 due to the economic impact of the Covid 19 pandemic but has reduced to 2.3% in 2022.

Residents in Morton Grove enjoy a pleasant suburban environment with an easy commute into the City of Chicago for work or entertainment.

The median income for a household in the village was \$91,389, and the median income for a family was \$110,549. Males had a median income of \$67,730 versus \$49,750 for females. The per capita income for the Village was \$41,004. About 5.2% of families and 7.4% of the population were below the poverty line, including 8.7% of those families with children under age 18 and 3.6% of those ages 65 or over.

There are several factors that impact the local finances of the Village. These factors include desirability of goods and services provided by the local business community and action taken by the Village Board. During the calendar year the Village recognized changes in the local economic climate. The sales tax trend continues to improve. Building permits and business license revenues are also showing growth.

The economy in Morton Grove has shown growth for the last couple of years. In the spring of 2020 spread of the coronavirus prompted the Illinois governor to issue an executive order which closed most businesses for several months. This impacted Village revenues, especially sales and local taxes. 2022 saw revenues grow higher than pre-covid levels with some growth from new businesses.

Several important revenue sources are affected by economic conditions beyond the Village's control. Property tax receipts collected by the Cook County are in flux as the billing and payment deadline dates. The second collection of property tax in 2022 was delayed until December, causing much of the revenue to be received in 2023, further making it difficult to anticipate the cash flow and plan for the outstanding debt service.

Local governments are still being faced with the difficult choices of reducing service levels, assessing staffing levels, and maintaining adequate reserves. The Village of Morton Grove has re-evaluated every aspect of the Village's operations for opportunities for new revenues and cost containment. Some of the positive cost containment results were due to staff reductions with limited backfill, procurement savings realized through a municipal partnering initiative in joint proposals for goods and services, reductions in general operating expenses as a result of re-evaluating many budgeted items and cost-sharing through new intergovernmental agreements with neighboring communities.

The Village Board, Management and staff is pleased to report that they have been successful in achieving their primary goal of maintaining service levels to the greatest extent possible while taking measures to reduce their expenditures.

A number of infrastructure improvements have been completed throughout the Village in recent years. These improvements are most prominent in the Village's tax increment financing districts (TIF). The Lincoln/Lehigh tax increment district has been designated for transit-oriented development. The Lehigh/Ferris tax increment district has fostered new condominium and town home development. A main Village arterial street has also been improved along with water main improvements which allow for needed infrastructure upgrades. The Sawmill Station TIF district redeveloped one the main intersections in town with improved drainage, sidewalks, streets, and other infrastructure.

Long-Term Financial Planning

An analysis of long-range issues invariably focuses on the Village's infrastructure. Approximately \$30 million of streets, alleys, bridges, water mains, and storm sewers are deployed throughout the Village. Routine maintenance and restoration are a significant expense each year. The continued viability of this infrastructure network is a priority for the Village Board.

In response to the long-range need to finance infrastructure work, the Village is very active in the area of economic development. The Village works to attract new businesses to the community while retaining and strengthening existing establishments. The Village has been active in its use of tax increment financing (TIF) and private activity bonds assistance to promote economic development. The ultimate goal is for the resulting economic growth to provide additional sales tax and other resources to help support the existing tax base of the Village.

Major Initiatives and Accomplishments

The Village provided the framework goals to provide outstanding services and programs in a fiscally prudent environment. The goals included continuing to improve the operating budget and financial practices to promote efficient service delivery, fiscal responsibility and transparency, continuing to improve operations, maximize quality of service and efficiency, enhancing the Village's community planning and economic development efforts, develop intergovernmental relationships, enhancing the Village communication program to promote dissemination of information to customers and improving the capital improvement program in an effective and fiscally-responsible manner.

The Village created the new Lincoln/Lehigh tax increment financing district in 2022 to support the development of a new Metra train station and the surrounding area as a transit-oriented development. Design of the new train station has already begun with construction anticipated in late 2023 or early 2024. The Village is also exploring additional developments of residential and commercial uses in the area. New businesses and the apartment complex in the Sawmill Station TIF district continue to increase tax revenues in the Village.

The Village formed the Morton Grove Niles Water Commission with the Village of Niles in 2017 for the purpose of constructing a pipeline to allow the Village to purchase water from the Village of Evanston which has been a significant savings over the water rates the Village would have to pay to the City of Chicago. The Village began taking some water from Evanston in December 2018 and transitioned fully to Evanston water in early 2020.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the thirty-second consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility certification.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department, especially Assistant Finance Director, Michael Marro, and the cooperation and assistance of the staffs of the other departments of the Village.

Finally, appreciation is expressed to the Village Administrator, Village President and Board of Trustees for their leadership and support in planning and conducting the fiscal affairs of the Village in a responsible manner.

Sincerely,



Hanna Sullivan
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Morton Grove
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

August 21, 2023

The Honorable Village President
Members of the Board of Trustees
Village of Morton Grove, Illinois

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 Village of Morton Grove, Illinois, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, 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 Village of Morton Grove, Illinois, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Morton Grove Police Pension Fund and Morton Grove Firefighters' Pension Fund as of December 31, 2022 and the respective changes in financial position, thereof for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Morton Grove Police Pension Fund and Morton Grove Firefighters' Pension Fund, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, 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.

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 Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, 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 Village's 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 Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, GASB-required pension, and other post-employment benefit (OPEB) reporting, as listed in the table of contents, 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 Village of Morton Grove, Illinois' basic financial statements. The other supplementary information and supplemental 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, other supplementary information and supplemental 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 report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2022

As management of the Village of Morton Grove, Illinois (“the Village”) or (“Morton Grove”), we offer readers of the Village’s financial statements this narrative overview and analysis of the financial activities of the Village for the calendar year ended December 31, 2022.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

USING THIS ANNUAL REPORT

The accounting standards reflected in this report are designed to provide two perspectives of the Village’s financial performance; a focus on the Village as a whole (government-wide) and a focus on the major individual funds. Both perspectives (government-wide and major fund) provide a broader basis upon which to compare and judge the Village’s financial accountability.

The Statement of Net Position and the Statement of Activities provided information about the activities of the Village as a whole and present a longer-term view of the Village’s finances. For governmental activities, these statements tell how these services were financed in the short term as well as what is available for future spending. Fund financial statements also report the Village’s operations in more detail than the government-wide statements by providing information about the Village’s most significant funds. The remaining statements provide financial information about fiduciary activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Village’s finances, in a manner similar to a private-sector business.

The Statement of Net Position reports information on all of the Village’s assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the Village’s financial position is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village’s property tax base and the condition of the Village’s infrastructure, is needed to assess the overall health of the Village.

The Statement of Activities presents information showing how the Village’s net position changed during the most recent calendar year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the Village’s basic services, including general government, police, fire, public works, economic development, senior services, emergency 911 services, fire alarm, tax increment financing districts, motor fuel taxes and related expenditures, and capital projects. Sales tax, property tax levies, and shared state income taxes finance the majority of these services. Business-type activities of the Village consist of the municipal water and sewer system, solid waste, and municipal parking operations.

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2022

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village maintains twelve individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Lehigh/Ferris TIF Fund, the Sawmill Station TIF Fund, Lincoln Lehigh TIF Fund, the Debt Service Fund, and the Capital Projects Fund, all of which are considered to be Major Funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in a later section of this report.

The Village adopts an Annual Budget for all funds. A budgetary comparison schedule has been provided where appropriate to demonstrate compliance with these budgets.

PROPRIETARY FUNDS

The Village maintains one type of proprietary fund. The *Enterprise Fund* is used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. The Village uses an Enterprise Fund to account for its municipal water and sewer operations, solid waste function, municipal parking lots and the Morton Grove Days festival.

Proprietary Funds provide the same type of information as the Government-Wide Financial Statement, only in more detail. The Proprietary Fund financial statement provides separate information for the Water and Sewer Fund, which is considered to be a major fund of the Village. Individual fund information for non-major enterprise funds is found in combining statements in a later section of this report.

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2022

FIDUCIARY FUNDS

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government, such as the Municipal Employees' Retirement Fund, Police Pension Fund and Firefighters' Pension Fund. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting use for fiduciary funds is much like that used for Proprietary Funds.

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.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's Illinois Municipal Retirement Fund, Sherriff's Law Enforcement Personnel Plan, Municipal Employee's Retirement Fund, Police and Firefighters' Pension Fund, and the Retiree Benefit Plan. The required supplementary information also contains budget to actual comparison schedule for the General Fund, Lehigh/Ferris TIF Fund, and the Sawmill Station TIF Fund. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

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VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This analysis and subsequent financial statements show a radically different net position for the Village than in previous years. It is important to recognize that this change is attributable to the Village of Morton Grove implementing GASB pronouncement 68 in 2015, which established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for defined-benefit pension plans. This pronouncement has had a significant impact not only on the Village of Morton Grove but every government agency that issues financial statements in accordance with GAAP. Similarly, in 2018 the Village implemented GASB 75, which established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses related to Other Post-Employment Benefits.

The following tables show the net position of the Village of Morton Grove, December 31, 2022, compared to December 31, 2021:

Village of Morton Grove Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current Assets	\$ 59,476,880	50,382,711	5,169,256	4,268,949	64,646,136	54,651,660
Capital Assets	55,087,598	54,808,506	10,796,041	10,324,186	65,883,639	65,132,692
Other Assets	1,961	271,717	—	47,405	1,961	319,122
Total Assets	114,566,439	105,462,934	15,965,297	14,640,540	130,531,736	120,103,474
Deferred Outflows of Resources	19,337,018	6,661,180	517,747	288,217	19,854,765	6,949,397
Total Assets/ Deferred Outflows	133,903,457	112,124,114	16,483,044	14,928,757	150,386,501	127,052,871
Long-Term Debt	118,929,019	108,542,489	9,278,724	9,120,385	128,207,743	117,662,874
Other Liabilities	9,020,618	5,984,862	1,453,835	1,044,230	10,474,453	7,029,092
Total Liabilities	127,949,637	114,527,351	10,732,559	10,164,615	138,682,196	124,691,966
Deferred Inflows of Resources	28,136,993	39,203,402	2,436,669	380,671	37,147,920	36,508,779
Total Liabilities/ Deferred Inflows	156,086,630	153,730,753	13,169,228	10,545,286	175,830,116	161,200,745
Net Position						
Net Investment in Capital Assets	50,852,664	48,274,626	8,773,885	8,068,151	59,626,549	56,342,777
Restricted	27,291,129	23,356,381	—	—	27,291,129	23,356,381
Unrestricted (Deficit)	(100,326,966)	(113,237,646)	(5,460,069)	(3,684,680)	(105,787,035)	(116,922,326)
Total Net Position	(22,183,173)	(41,606,639)	3,313,816	4,383,471	(18,869,357)	(37,223,168)

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2022

A reconciliation between the governmental funds at the fund level and the entity wide governmental activities is located after the Balance Sheet - Governmental Funds.

The Village's net position, investment in capital assets of \$59,626,549, reflects infrastructure, land, buildings and improvements, machinery, and equipment less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village'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 provide from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$27,291,129, of the Village's net position represents resources that are subject to external restrictions on how they may be used, including restrictions for future street improvements, debt service payments, public safety, and future capital development.

NORMAL IMPACTS

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation:

- 1) *Net Results of Activities* - which will impact (increase/decrease) current assets and unrestricted net position.
- 2) *Borrowing for Capital* - which will increase current assets and long-term debt outstanding.
- 3) *Spending Borrowed Proceeds on New Capital* - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt, which will not change the net investment in capital assets.
- 4) *Spending Nonborrowed Current Assets on New Capital* - which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.
- 5) *Principal Payment on Debt* - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.
- 6) *Reduction of Capital Assets through Depreciation* - which will reduce capital assets and reduce net investment in capital assets.

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VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2022

Following is a table that summarizes the change in net position of the Village at the close of the fiscal year, with a comparison to the preceding fiscal year.

Village of Morton Grove Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$ 4,688,881	4,559,550	10,130,051	10,173,290	14,818,932	14,732,840
Operating Grants/Contrib.	1,496,384	1,422,960	—	—	1,496,384	1,422,960
Capital Grants/Contrib.	138,276	1,744,786	—	—	138,276	1,744,786
General Revenues						
Taxes	39,691,152	33,134,740	—	—	39,691,152	33,134,740
Investment Income	353,402	1,094,698	(4,708)	726	348,694	1,095,424
Miscellaneous	(83,547)	92,414	424,452	246,733	340,905	339,147
Total Revenues	46,284,548	42,049,148	10,549,795	10,420,749	56,834,343	52,469,897
Expenses						
General Government	183,312	10,215,501	—	—	183,312	10,215,501
Public Safety	20,890,721	18,888,660	—	—	20,890,721	18,888,660
Streets and Sidewalks	1,545,554	4,163,917	—	—	1,545,554	4,163,917
Vehicle and Maintenance	921,143	928,257	—	—	921,143	928,257
Health and Human Services	26,201	13,876	—	—	26,201	13,876
Community Development	1,529,506	1,326,585	—	—	1,529,506	1,326,585
Building and Inspection Services	1,125,225	1,198,685	—	—	1,125,225	1,198,685
Interest on Long-Term Debt	951,920	1,056,003	—	—	951,920	1,056,003
Water and Sewer	—	—	9,723,410	9,891,226	9,723,410	9,891,226
Solid Waste	—	—	1,802,799	1,924,023	1,802,799	1,924,023
Municipal Parking	—	—	(157)	(301)	(157)	(301)
Morton Grove Days	—	—	137,443	76,742	137,443	76,742
Total Expenses	27,173,582	37,791,484	11,663,495	11,891,690	38,837,077	49,683,174
Change in Net Position	19,110,966	4,257,664	(1,113,700)	(1,470,941)	17,997,266	2,786,723
Net Position - Beginning as Restated	(41,606,639)	(45,864,303)	4,427,516	5,854,412	(37,179,123)	(40,009,891)
Net Position - Ending	(22,495,673)	(41,606,639)	3,313,816	4,383,471	(19,181,857)	(37,223,168)

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2022

NORMAL IMPACTS

There are eight basic (normal) impacts on revenues and expenses are reflected below:

Revenues:

- 1) *Economic Condition* - which can reflect a declining, stable, or growing economic environment and has a substantial impact on state income, sales, and utility tax revenue as well as public spending habits for building permits, elective user fees, and level of consumption.
- 2) *Increase/Decrease in Village-Approved Rates* - while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (property taxes, water, sewer, impact fees, building fees, home rule sales tax, etc.)
- 3) *Changing Patterns in Intergovernmental and Grant Revenue (both Recurring and Nonrecurring)* - certain recurring revenues (state-shared revenues, etc.) may experience significant changes periodically, while nonrecurring (or one-time) grants are less predictable and often distorting on their impact on year-to-year comparisons.
- 4) *Market Impacts on Investment Income* - the Village's investment policy is managed using similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

Expenses:

- 5) *Introduction of New Programs* - within the functional expense categories (general government, public works, public safety, etc.), individual programs may be added or deleted to meet changing community needs.
- 6) *Change in Authorized Personnel* - changes in service demand may cause the Village Board to increase/decrease authorized staffing. Personnel costs (salary and related benefits).
- 7) *Salary Increases (Annual Adjustments and Merit)* - the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.
- 8) *Inflation* - while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions may experience unusual commodity-specific increases.

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2022

GOVERNMENTAL ACTIVITIES

Revenues:

Revenues for governmental activities totaled \$46,284,548 at December 31, 2022.

- Property tax continues to be the Village's largest revenue source totaling \$17,888,128 representing 38.65% of total governmental activity revenue. Sales tax revenue was \$10,502,150 or 22.69% of total governmental activity revenue. Charges for Services revenue was \$4,688,881 or 10.13% of total governmental activity revenue. State income tax revenue was \$4,122,078 or 8.91% of total governmental activity revenue. Miscellaneous taxes revenue (local use, real estate transfer, hotel & motel tax, and others) was \$5,244,977 or 11.33% of total governmental activity revenue. Telecommunication tax was \$371,559 or 0.80% of total governmental activity revenue. A utility tax (Electric, Gasoline & Natural gas tax) was \$1,562,260 or 3.38% of total governmental activity revenue.

Comparison with Prior Year.

- Property tax revenue increased by \$3,518,013 or 24.48% from prior year due to an increase in the incremental property tax received by the Sawmill TIF Fund. Sales tax revenue increased by \$900,914 or 9.38% from prior year due to the opening of new businesses in the Sawmill TIF District and the continued recovery from the impact of the Covid-19 pandemic and inflation. Charges for Services revenue increased by \$129,331 or 2.84% from prior year. State income tax revenue increased by \$1,032,822 or 33.43% from prior year due to local economic recovery and a population increase. Miscellaneous taxes revenue (local use, real estate transfer, hotel & motel tax, food & beverage, and others) increased by \$1,083,197 or 26.03% from prior year. Food and beverage and hotel/motel tax increased due to continued economic recovery and inflation. Food and beverage also increased due to the opening of several new restaurants. Other taxes such as local use and real estate transfer taxes saw an increase as well. Telecommunication increased by \$17,851 or 5.05% from prior year. The Village has seen telecommunications tax decline for the last few years due to changes in how service is provided. Utility taxes (Electric, Gasoline & Natural gas tax) increased by \$3,615 or 0.23% from prior year. Utility taxes have declined over the last several years due to more efficient use by customers, but the revenues are also largely tied to the weather.

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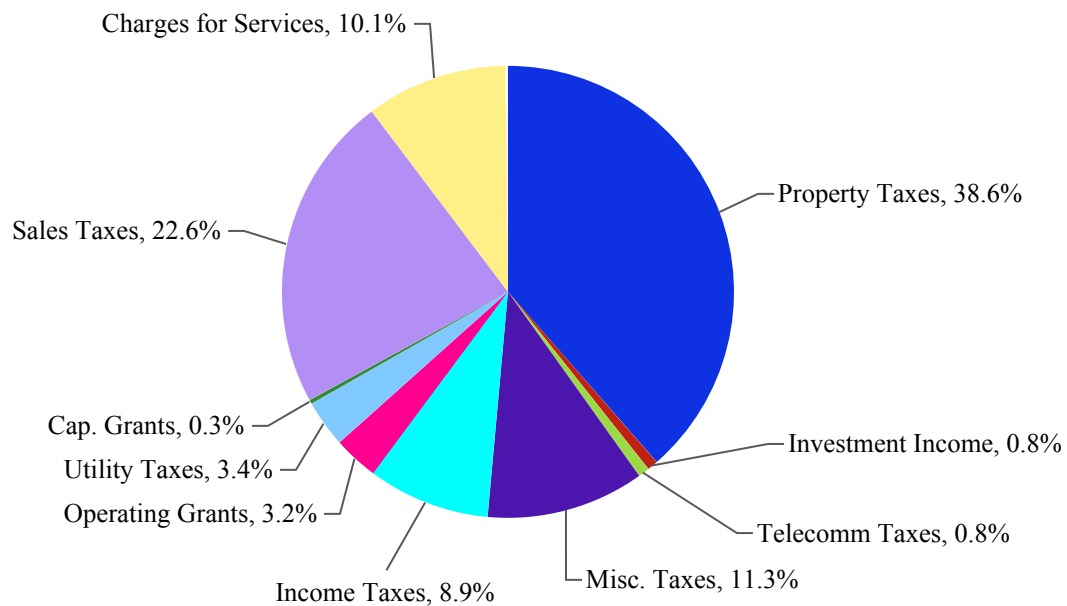
VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2022

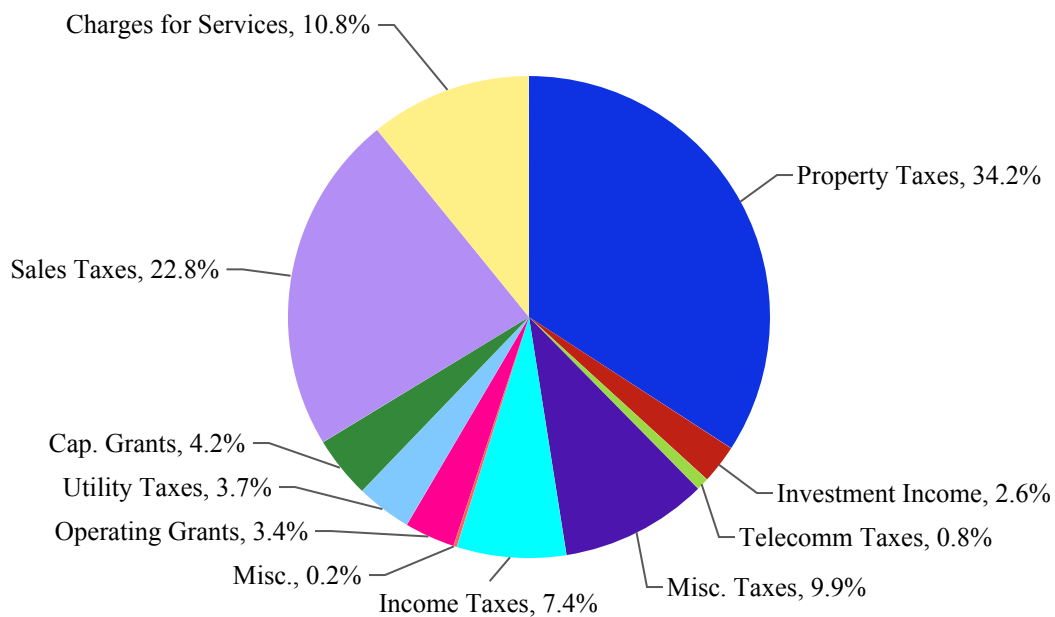
The following table graphically depicts the major revenue sources of the Village.

Revenues by Source - Governmental Activities
December 31, 2022



Prior Year Revenue by Source - Governmental Activities - For Comparison

Revenues by Source - Governmental Activities
December 31, 2021



VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

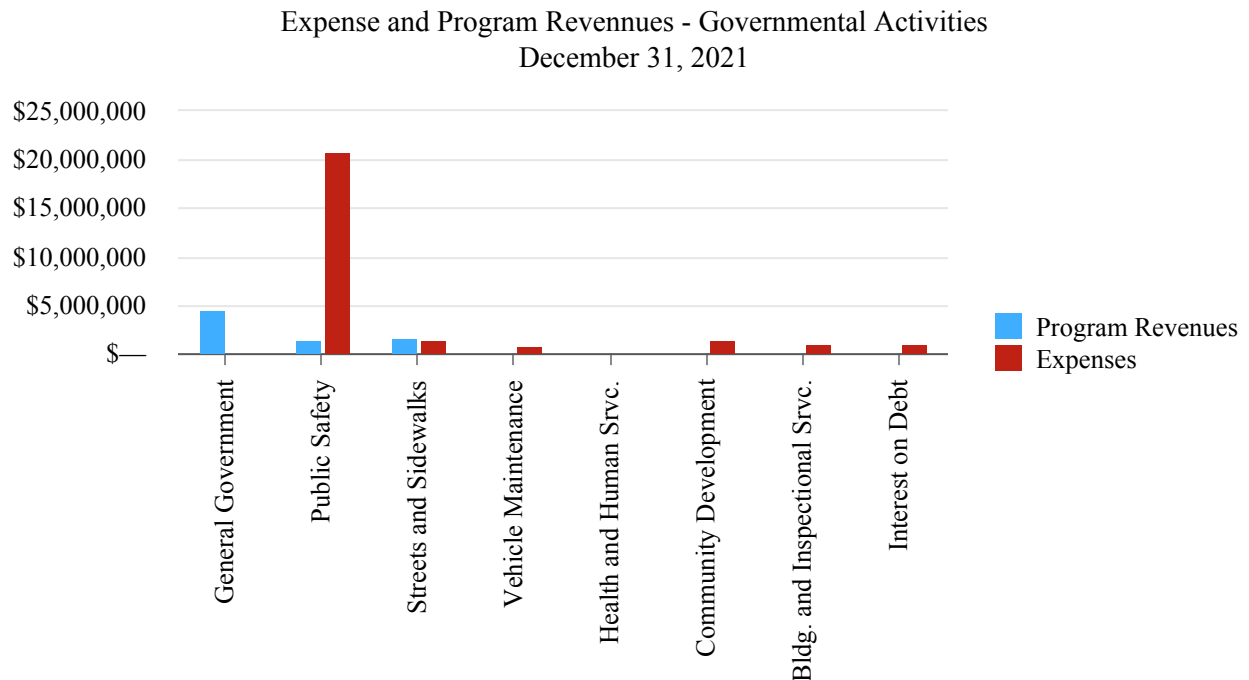
December 31, 2022

Expenses

Expenses for governmental activities were \$27,173,582 at December 31, 2022, and \$37,791,484 at December 31, 2021, a decrease of \$10,617,902 or 28.10%

The decrease in expense for governmental activities is due to a large decrease in pension costs for the Municipal Employees Retirement Fund (MERF).

The 'Expense and Program Revenues' table identifies those governmental functions where program expenses exceed revenues. These deficits are expected as those governmental functions are primarily support by General Revenues (for instance Property Taxes and Sales Taxes) rather than the Program Revenues.



BUSINESS-TYPE ACTIVITIES

Business-Type activities posted program revenues of \$10,130,051, while the costs of all business-type activities totaled \$11,663,495. Revenues fell short of expenses by \$1,533,444 prior to interest and miscellaneous income of \$419,744. This was due to a reduction in expense for pension costs.

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2022

Revenues

In 2022 the Village water rate charged to customers of \$10.81 per 1,000 Gallon remained unchanged. Water and Sewer Fund charges for services decreased by \$151,340 or 1.87%.

The Village created the Solid Waste Fund to account for the financial activity of the Village residential waste collection and disposal program. In May 2010, the Village's staff assumed responsibility for billing and residents are charged for waste removal and disposal as part of their bi-monthly water bill. In 2022 Solid Waste operating revenues increased by \$49,479 or 2.45%.

The Village created the Municipal Parking Fund to account for the Village parking lots and monies received from permit sales. The Village staff is responsible for customers who signed a yearly lease for parking spaces near the Metra Station in Morton Grove. Due to the pandemic many workers worked from home during 2022. Operating revenues for 2022 decreased by \$3,900 or 69.33%.

In 2017 the Village created the Morton Grove Days Fund to account for the annual festival held over the Fourth of July. Operating revenues for 2022 increased by \$62,522, as a smaller event was held in 2021.

Expenses

Total expenses for Water and Sewer Fund activities totaled \$9,723,410, a decrease of \$167,816, or 31.70% from prior year. In 2021 the Village was finishing a transition in water supply which required additional expense during conversion and enhancement of the water system. In 2022 the Village started to see the full savings of the water transition and saw reduced expense for pension costs for the Municipal Employees Retirement Fund (MERF).

Total expenses for Solid Waste Fund activities totaled \$1,802,799, a decrease of \$121,224, or 6.30%, from prior year because of administrative costs.

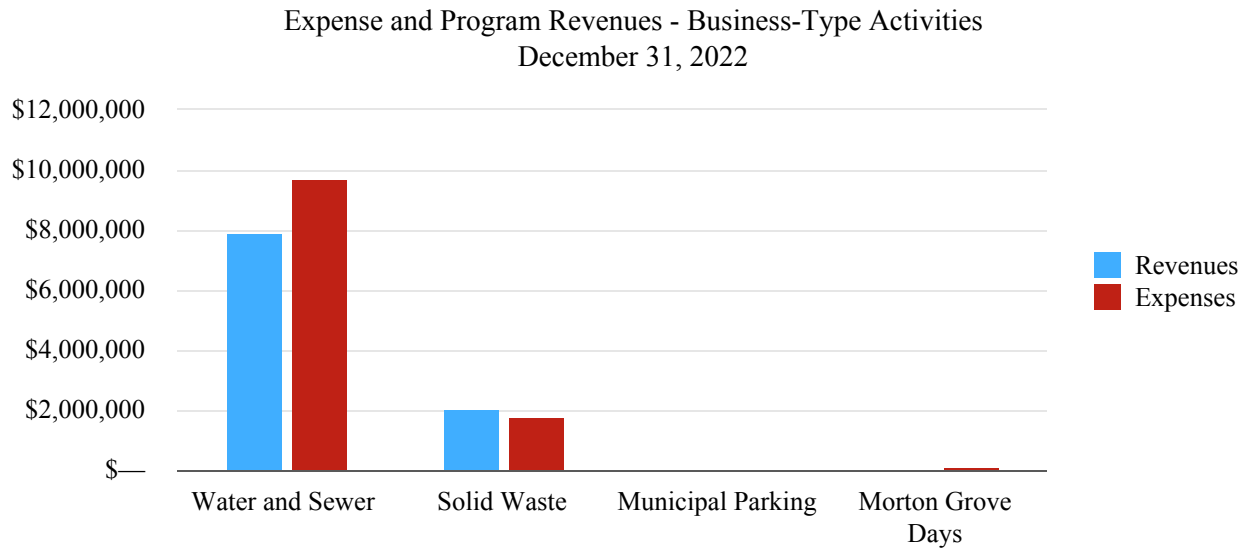
Total expenses from Municipal Parking Fund activities increased \$144. The Village is working toward developing this lot and will not be using it for parking in the future.

The expenses from the Morton Grove Days Fund were \$137,443 but will be reimbursed by the Morton Grove Days Commission.

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2022



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

GOVERNMENTAL FUNDS

The focus of the Village's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirement. 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 fiscal year.

The Village's governmental funds reported combining ending fund balances of \$41,601,170, which is an increase of \$5,585,474, from last year's total of \$36,015,696. This is due to the increase in TIF revenues and sales and local taxes.

General Fund: The General Fund reported a surplus for the year of \$763,754. Revenues were more than the budgeted amount due to increased tax revenue and the receipt of ARPA grant money. Expenditures were also less than budget but increased from the prior year. The Village remained conservative with expenditures as the revenues were recovering.

The General Fund is the chief operating fund of the Village. At December 31, 2022, unassigned fund balance in the General Fund was \$14,558,106, which represents 100.00% of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total expenditures. Unassigned fund balance in General Fund represents 43.83% of total General Fund expenditures.

Lehigh Ferris TIF Fund: Reported a fund balance decrease of \$10,460,040 due to the creation of the Lincoln Lehigh TIF, which includes some parcels of land that were in the Lehigh Ferris TIF but have not yet been redeveloped.

Sawmill Station TIF Fund: Reported an increase of \$3,613,449 due to an increase in TIF property tax revenue.

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2022

Lincoln Lehigh TIF Fund: Reported a fund balance of \$10,167,774. This fund was created during the current fiscal year.

Debt Service Fund: Reported a fund balance increase of \$262,964 because of debt service payments.

Capital Projects Fund: Reported a fund balance increase of \$177,827 as a result of increased personal property replacement tax, which is partially allocated to capital projects.

PROPRIETARY FUNDS

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

The Village reports the Water and Sewer Fund a major proprietary fund. The Village reports three non-major proprietary funds, the Solid Waste Fund, the Municipal Parking Fund, and the Morton Grove Days Fund. The Water and Sewer Fund accounts for all of the operations of the municipal water system. In 2019 the Village began transitioning from purchasing water from the City of Chicago to purchasing water through the Morton Grove Niles Water Commission, which purchases water from the City of Evanston. The change will give Morton Grove better control over the cost of water. Water is then sold to all residential municipal customers at a rate of \$10.81 with an additional sewer rate of 1.15 per thousand gallons. Rates for commercial customers vary based on the gallons of water consumed. The difference between the purchase and sales rates is intended to finance the operations of the water system, including labor costs, supplies, repair, and replacement, and required infrastructure maintenance.

CAPITAL ASSETS

The Village's investment in net capital assets for its governmental and business type activities as of December 31, 2022, was \$65,883,639 (net of accumulated depreciation). This investment in capital assets includes land (right of way), construction in progress, buildings and improvements, machinery, equipment and vehicles, and infrastructure. The minimum capital threshold remained at \$10,000. For more information regarding the Village's capital assets, please refer to Note 3 in the notes to the financial statements.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land (Right of Way)	\$ 43,972,244	43,972,244	300,495	300,495	44,272,739	44,272,739
Construction in Progress	773,367	110,186	—	45,164	773,367	155,350
Buildings and Improvements	3,758,684	3,676,910	8,490,798	8,199,596	12,249,482	11,876,506
Machinery, Equipment and Vehicles	2,150,959	2,180,152	2,004,748	1,822,976	4,155,707	4,003,128
Infrastructure	4,432,344	4,869,014	—	—	4,432,344	4,869,014
Total	55,087,598	54,808,506	10,796,041	10,368,231	65,883,639	65,176,737

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2022

LONG-TERM DEBT

At year-end, the Village had total outstanding debt of \$24,300,000, as compared to \$26,610,000 the previous year. In 2019 the Village issued \$18,635,000 of Sawmill Station TIF Revenue bonds. These bonds are not general obligation and are only payable from revenues generated by the Sawmill Station TIF.

The following is a comparative statement of outstanding debt (excluding intergovernmental agreements).

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
General Obligation Bonds \$	3,832,400	5,935,600	1,832,600	2,039,400	5,665,000	7,975,000
TIF Revenue Bonds	18,635,000	18,635,000	—	—	18,635,000	18,635,000
Total	22,467,400	24,570,600	1,832,600	2,039,400	24,300,000	26,610,000

For information related to the Village's long-term debt, please refer to Note 3 in the notes to the financial statements.

Economic Factors and Future Prospects

In the spring of 2020, the spread of the coronavirus caused the Governor of Illinois to issue an executive order closing many businesses for several months. This had a dramatic effect on some revenues, particularly sales taxes. The Village has seen continued economic recovery in 2022 with the addition of new businesses, especially in the Sawmill TIF District. The Village continues to have conservative approaches to estimating revenues and strong expenditure management by the departments have allowed the Village to improve its financial condition. The President signed the American Rescue Plan Act in 2021. This Act provides for federal funding to local governments to replace lost revenue due to the pandemic and provide for investment in infrastructure. The Village received the second half of the anticipated \$3 million dollars in grants. This money was used in 2022 to repair some streets, purchase new gas masks for the police, and senior programming. The Village is still considering the best use of the remaining grant funds, focusing on one time expenditures such as public safety equipment and roads. Some challenges that will be considered during the development of 2024 budget are rising personnel costs, including health insurance, funding capital projects, and funding the public safety pensions.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of the Finance Director, Village of Morton Grove, 6101 Capulina, Morton Grove, Illinois, 60053.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements

- Fund Financial Statements

 - Governmental Funds

 - Proprietary Funds

 - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial state.

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Net Position

December 31, 2022

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Net Position December 31, 2022

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Current Assets			
Cash and Investments	\$ 31,054,021	1,939,232	32,993,253
Receivables - Net of Allowances	21,311,450	3,402,864	24,714,314
Internal Balances	205,143	(205,143)	—
Prepays/Land Held for Resale	6,906,266	32,303	6,938,569
Total Current Assets	59,476,880	5,169,256	64,646,136
Noncurrent Assets			
Capital Assets			
Nondepreciable	44,745,611	300,495	45,046,106
Depreciable	62,194,028	22,960,356	85,154,384
Accumulated Depreciation	(51,852,041)	(12,464,810)	(64,316,851)
Total Capital Assets	55,087,598	10,796,041	65,883,639
Other Assets			
Net Pension Asset - SLEP	1,961	—	1,961
Total Noncurrent Assets	55,089,559	10,796,041	65,885,600
Total Assets	114,566,439	15,965,297	130,531,736
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	675,879	123,656	799,535
Deferred Items - SLEP	9,397	—	9,397
Deferred Items - MERF	298,829	248,978	547,807
Deferred Items - Police Pension	8,456,300	—	8,456,300
Deferred Items - Firefighters' Pension	8,360,419	—	8,360,419
Deferred Items - RBP	1,513,442	145,113	1,658,555
Unamortized Loss on Refunding	22,752	—	22,752
Total Deferred Outflows of Resources	19,337,018	517,747	19,854,765
Total Assets and Deferred Outflows of Resources	133,903,457	16,483,044	150,386,501

LIABILITIES	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Current Liabilities			
Accounts Payable	\$ 4,464,827	963,854	5,428,681
Accrued Payroll	110,735	196,863	307,598
Accrued Interest Payable	454,252	3,043	457,295
Deposits Payable	521,562	15,817	537,379
Other Liabilities	1,522,145	34,942	1,557,087
Current Portion of Long-Term Debt	1,947,097	239,316	2,186,413
Total Current Liabilities	9,020,618	1,453,835	10,474,453
Noncurrent Liabilities			
Compensated Absences Payable	792,070	86,063	878,133
Net Pension Liability - IMRF	973,645	178,136	1,151,781
Net Pension Liability - MERF	7,321,458	6,100,097	13,421,555
Net Pension Liability - Police Pension	39,366,813	—	39,366,813
Net Pension Liability - Firefighters' Pension	37,351,733	—	37,351,733
Total OPEB Liability - RBP	11,577,430	1,110,072	12,687,502
General Obligations Bonds Payable - Net	3,250,486	1,804,356	5,054,842
Tax Increment Financing Revenue Bonds Payable - Net	18,295,384	—	18,295,384
Total Noncurrent Liabilities	118,929,019	9,278,724	128,207,743
Total Liabilities	127,949,637	10,732,559	138,682,196
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	11,256,441	—	11,256,441
Deferred Items - IMRF	90,224	16,507	106,731
Deferred Items - Police Pension	6,552,026	—	6,552,026
Deferred Items - Firefighters' Pension	3,710,012	—	3,710,012
Deferred Items - RBP	6,528,290	625,948	7,154,238
Deferred Items - Leases	—	1,794,214	1,794,214
Total Deferred Inflows of Resources	28,136,993	2,436,669	30,573,662
Total Liabilities and Deferred Inflows of Resources	156,086,630	13,169,228	169,255,858
NET POSITION			
Net Investment in Capital Assets	50,852,664	8,773,885	59,626,549
Restricted			
IMRF	1,961	—	1,961
Public Safety	1,894,270	—	1,894,270
Streets and Sidewalks	2,571,569	—	2,571,569
Community Development	21,265,074	—	21,265,074
Capital Improvements	1,558,255	—	1,558,255
Unrestricted (Deficit)	(100,326,966)	(5,460,069)	(105,787,035)
Total Net Position	(22,183,173)	3,313,816	(18,869,357)

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2022

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 183,312	3,521,096	19,447	—
Public Safety	20,890,721	949,396	—	—
Streets and Sidewalks	1,545,554	218,389	1,476,937	138,276
Vehicle and Maintenance	921,143	—	—	—
Health and Human Services	26,201	—	—	—
Community Development	1,529,506	—	—	—
Building and Inspection Services	1,125,225	—	—	—
Interest on Long-Term Debt	951,920	—	—	—
Total Governmental Activities	27,173,582	4,688,881	1,496,384	138,276
Business-Type Activities				
Water and Sewer	9,723,410	7,959,062	—	—
Solid Waste	1,802,799	2,071,696	—	—
Municipal Parking	(157)	1,725	—	—
Morton Grove Days	137,443	97,568	—	—
Total Business-Type Activities	11,663,495	10,130,051	—	—
Total Primary Government	38,837,077	14,818,932	1,496,384	138,276

General Revenues

Taxes

Property Taxes

Telecommunication/Utility Taxes

Utility Taxes

Home Rule Sales Taxes

Other Taxes

Intergovernmental - Unrestricted

Personal Property Replacement Taxes

Sales Taxes

State Income Taxes

Local Use Taxes

ARPA

Investment Income

Miscellaneous

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
3,357,231	—	3,357,231
(19,941,325)	—	(19,941,325)
288,048	—	288,048
(921,143)	—	(921,143)
(26,201)	—	(26,201)
(1,529,506)	—	(1,529,506)
(1,125,225)	—	(1,125,225)
(951,920)	—	(951,920)
(20,850,041)	—	(20,850,041)
—	(1,764,348)	(1,764,348)
—	268,897	268,897
—	1,882	1,882
—	(39,875)	(39,875)
—	(1,533,444)	(1,533,444)
(20,850,041)	(1,533,444)	(22,383,485)
17,888,128	—	17,888,128
371,559	—	371,559
1,562,260	—	1,562,260
3,128,814	—	3,128,814
2,694,101	—	2,694,101
1,525,636	—	1,525,636
7,373,336	—	7,373,336
4,122,078	—	4,122,078
1,025,240	—	1,025,240
312,500	—	312,500
353,402	(4,708)	348,694
(83,547)	424,452	340,905
40,273,507	419,744	40,693,251
19,423,466	(1,113,700)	18,309,766
(41,606,639)	4,427,516	(37,179,123)
(22,183,173)	3,313,816	(18,869,357)

VILLAGE OF MORTON GROVE, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2022

	General	Special Lehigh/ Ferris Tax Increment Financing
ASSETS		
Cash and Investments	\$ 10,886,909	2,419,282
Receivables - Net of Allowances		
Property Taxes	12,820,598	750,304
Other Taxes	2,335,492	—
Accounts	986,038	—
Loan to Developer	—	2,110,285
IRMA Excess Surplus	1,510,564	—
IPBC Terminal Reserve	1,479,206	—
Due from Other Funds	1,116,972	44,364
Prepays	192	100,000
Land Held for Resale	—	250,000
Total Assets	31,135,971	5,674,235
LIABILITIES		
Accounts Payable	3,823,880	28,833
Accrued Payroll	110,735	—
Deposits Payable	514,760	—
Other Liabilities	1,522,145	—
Due to Other Funds	7,370	—
Total Liabilities	5,978,890	28,833
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	10,598,783	—
Total Liabilities and Deferred Inflows of Resources	16,577,673	28,833
FUND BALANCES		
Nonspendable	192	100,000
Restricted	—	5,545,402
Unassigned	14,558,106	—
Total Fund Balances	14,558,298	5,645,402
Total Liabilities, Deferred Inflows of Resources and Fund Balances	31,135,971	5,674,235

Revenue					
Sawmill Station Tax Increment Financing	Lincoln Lehigh Tax Increment Financing	Debt Service	Capital Projects	Nonmajor	Totals
4,625,474	6,601,470	—	1,575,300	4,945,586	31,054,021
974,140	—	843,616	—	—	15,388,658
—	—	55,315	9,219	422,993	2,823,019
3,450	—	—	—	—	989,488
—	—	—	—	—	2,110,285
—	—	—	—	—	1,510,564
—	—	—	—	—	1,479,206
—	—	—	—	7,370	1,168,706
—	—	—	—	—	100,192
—	3,566,304	—	—	—	3,816,304
5,603,064	10,167,774	898,931	1,584,519	5,375,949	60,440,443
—	—	—	26,264	585,850	4,464,827
—	—	—	—	—	110,735
6,802	—	—	—	—	521,562
—	—	—	—	—	1,522,145
44,364	—	366,552	—	545,277	963,563
51,166	—	366,552	26,264	1,131,127	7,582,832
—	—	657,658	—	—	11,256,441
51,166	—	1,024,210	26,264	1,131,127	18,839,273
—	—	—	—	—	100,192
5,551,898	10,167,774	—	1,558,255	4,465,839	27,289,168
—	—	(125,279)	—	(221,017)	14,211,810
5,551,898	10,167,774	(125,279)	1,558,255	4,244,822	41,601,170
5,603,064	10,167,774	898,931	1,584,519	5,375,949	60,440,443

VILLAGE OF MORTON GROVE, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

December 31, 2022

Total Governmental Fund Balances	\$ 41,601,170
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	55,087,598
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A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	
Net Pension Asset - SLEP	1,961

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	585,655
Deferred Items - SLEP	9,397
Deferred Items - MERF	298,829
Deferred Items - Police Pension	1,904,274
Deferred Items - Firefighters' Pension	4,650,407
Deferred Items - RBP	(5,014,848)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(990,088)
Net Pension Liability - IMRF	(973,645)
Net Pension Liability - MERF	(7,321,458)
Net Pension Liability - Police Pension	(39,366,813)
Net Pension Liability - Firefighters' Pension	(37,351,733)
Total OPEB Liability - RBP	(11,577,430)
General Obligation Bonds Payable - Net	(4,257,686)
Tax Increment Financing Revenue Bonds Payable - Net	(18,790,384)
Unamortized Loss on Refunding	22,752
Intergovernmental Agreement Payable	(246,879)
Accrued Interest Payable	(454,252)

Net Position of Governmental Activities	<u>(22,183,173)</u>
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VILLAGE OF MORTON GROVE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2022**

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended December 31, 2022

	General	Special Lehigh/ Ferris Tax Increment Financing
Revenues		
Taxes	\$ 18,336,598	3,917,371
Intergovernmental	12,550,112	—
Charges for Services	1,624,804	—
Licenses and Permits	1,896,292	—
Fines and Forfeitures	252,068	—
Investment Income	144,188	16,183
Miscellaneous	(100,547)	17,000
Total Revenues	34,703,515	3,950,554
Expenditures		
General Government	4,251,844	—
Public Safety	23,110,495	—
Streets and Sidewalks	3,332,421	—
Vehicle Maintenance	921,143	—
Health and Human Services	26,201	—
Community Development	214,299	215,516
Building and Inspection Services	1,358,608	—
Capital Outlay	—	1,325,251
Debt Service		
Principal Retirement	—	690,000
Interest and Fiscal Charges	—	101,800
Total Expenditures	33,215,011	2,332,567
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,488,504	1,617,987
Other Financing Sources (Uses)		
Disposal of Capital Assets	—	35,377
Transfers In	—	—
Transfers Out	(724,750)	(12,113,404)
	(724,750)	(12,078,027)
Net Change in Fund Balances	763,754	(10,460,040)
Fund Balances - Beginning	13,794,544	16,105,442
Fund Balances - Ending	14,558,298	5,645,402

Revenue					
Sawmill Station Tax Increment Financing	Lincoln Lehigh Tax Increment Financing	Debt Service	Capital Projects	Nonmajor	Totals
2,500,861	—	890,032	—	—	25,644,862
298,770	—	211,664	175,542	2,766,600	16,002,688
—	—	—	—	906,479	2,531,283
—	—	—	—	—	1,896,292
—	—	—	—	—	252,068
23,180	—	13,956	100,372	55,523	353,402
—	—	—	—	—	(83,547)
2,822,811	—	1,115,652	275,914	3,728,602	46,597,048
—	—	—	—	—	4,251,844
—	—	—	—	709,360	23,819,855
—	—	—	—	1,119,647	4,452,068
—	—	—	—	—	921,143
—	—	—	—	—	26,201
14,212	245,630	—	—	839,849	1,529,506
—	—	—	—	—	1,358,608
—	—	—	98,087	—	1,423,338
—	—	1,413,200	—	—	2,103,200
895,150	—	164,238	—	—	1,161,188
909,362	245,630	1,577,438	98,087	2,668,856	41,046,951
1,913,449	(245,630)	(461,786)	177,827	1,059,746	5,550,097
—	—	—	—	—	35,377
1,700,000	10,413,404	724,750	—	—	12,838,154
—	—	—	—	—	(12,838,154)
1,700,000	10,413,404	724,750	—	—	35,377
3,613,449	10,167,774	262,964	177,827	1,059,746	5,585,474
1,938,449	—	(388,243)	1,380,428	3,185,076	6,115,710
5,551,898	10,167,774	(125,279)	1,558,255	4,244,822	11,701,184

VILLAGE OF MORTON GROVE, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities For the Fiscal Year Ended December 31, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 5,585,474
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital Outlays	1,485,647
Depreciation Expense	(1,206,555)
Disposals - Cost	(229,448)
Disposals - Accumulated Depreciation	229,448

An addition to a net pension asset is not considered to be an increase in a financial asset in the governmental funds.

Change in Net Pension Asset - SLEP	(29,317)
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The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - IMRF	1,153,146
Change in Deferred Items - SLEP	29,104
Change in Deferred Items - MERF	(69,288)
Change in Deferred Items - Police Pension	10,390,536
Change in Deferred Items - Firefighters' Pension	14,241,887
Change in Deferred Items - RBP	(2,104,294)

The issuance of long-term debt provides current financial resources to governmental funds, While the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	24,800
Change in Net Pension Liability - IMRF	(1,214,084)
Change in Net Pension Liability - MERF	7,539,084
Change in Net Pension Liability - Police Pension	(9,830,072)
Change in Net Pension Liability - Firefighters' Pension	(12,813,108)
Change in Total OPEB Liability - RBP	3,694,655
Amortization of Premium on Debt Issuance	227,637
Amortization of Loss on Refunding	(22,751)
Retirement of Debt	2,336,583

Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

4,382

Changes in Net Position of Governmental Activities

<u>19,423,466</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Net Position - Proprietary Funds

December 31, 2022

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Net Position - Proprietary Funds December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ —	1,939,232	1,939,232
Receivables - Net of Allowances			
Accounts	1,503,931	51,075	1,555,006
Leases	1,847,858	—	1,847,858
Prepays	—	32,303	32,303
Total Current Assets	3,351,789	2,022,610	5,374,399
Noncurrent Assets			
Capital Assets			
Nondepreciable	300,495	—	300,495
Depreciable	22,960,356	—	22,960,356
Accumulated Depreciation	(12,464,810)	—	(12,464,810)
Total Noncurrent Assets	10,796,041	—	10,796,041
Total Assets	14,147,830	2,022,610	16,170,440
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	123,656	—	123,656
Deferred Items - MERF	248,978	—	248,978
Deferred Items - RBP	145,113	—	145,113
Total Deferred Outflows of Resources	517,747	—	517,747
Total Assets/Deferred Outflows of Resources	14,665,577	2,022,610	16,688,187

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 828,732	135,122	963,854
Accrued Payroll	196,863	—	196,863
Accrued Interest Payable	3,043	—	3,043
Deposits Payable	15,817	—	15,817
Other Liabilities	—	34,942	34,942
Due to Other Funds	102,757	102,386	205,143
Current Portion of Long-Term Debt	239,316	—	239,316
Total Current Liabilities	1,386,528	272,450	1,658,978
Noncurrent Liabilities			
Compensated Absences Payable	86,063	—	86,063
Net Pension Liability - IMRF	178,136	—	178,136
Net Pension Liability - MERF	6,100,097	—	6,100,097
Total OPEB Liability - RBP	1,110,072	—	1,110,072
General Obligations Bonds Payable - Net	1,804,356	—	1,804,356
Total Noncurrent Liabilities	9,278,724	—	9,278,724
Total Liabilities	10,665,252	272,450	10,937,702
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	16,507	—	16,507
Deferred Items - RBP	625,948	—	625,948
Deferred Items - Leases	1,794,214	—	1,794,214
Total Deferred Inflows of Resources	2,436,669	—	2,436,669
Total Liabilities/Deferred Inflows of Resources	13,101,921	272,450	13,374,371
NET POSITION			
Net Investment in Capital Assets	8,773,885	—	8,773,885
Unrestricted (Deficit)	(7,210,229)	1,750,160	(5,460,069)
Total Net Position	1,563,656	1,750,160	3,313,816

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Net Position - Proprietary Funds For the Fiscal Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor	Totals
Operating Revenues			
Charges for Services	\$ 7,937,751	2,170,989	10,108,740
Operating Expenses			
Operations	9,110,939	1,940,085	11,051,024
Depreciation and Amortization	529,935	—	529,935
Total Operating Expenses	9,640,874	1,940,085	11,580,959
Operating Income (Loss)	(1,703,123)	230,904	(1,472,219)
Nonoperating Revenues (Expenses)			
Connection Fees	21,311	—	21,311
Investment Income	(5,562)	854	(4,708)
Other Income	424,452	—	424,452
Interest Expense	(82,536)	—	(82,536)
	357,665	854	358,519
Change in Net Position	(1,345,458)	231,758	(1,113,700)
Net Position - Beginning as Restated	2,909,114	1,518,402	4,427,516
Net Position - Ending	1,563,656	1,750,160	3,313,816

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 7,520,334	2,188,525	9,708,859
Payments to Employees	(1,778,094)	—	(1,778,094)
Payments to Suppliers	(4,611,884)	(1,985,350)	(6,597,234)
	1,130,356	203,175	1,333,531
Cash Flows from Noncapital Financing Activities			
Interfund Loans	102,757	55,617	158,374
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(984,824)	—	(984,824)
Interest Expense	(82,536)	—	(82,536)
Payment of Principal	(206,800)	—	(206,800)
	(1,274,160)	—	(1,274,160)
Cash Flows from Investing Activities			
Investment Income	(5,562)	854	(4,708)
Net Change in Cash and Cash Equivalents	(46,609)	259,646	213,037
Cash and Cash Equivalents - Beginning	46,609	1,679,586	1,726,195
Cash and Cash Equivalents - Ending	—	1,939,232	1,939,232
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(1,703,123)	230,904	(1,472,219)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	529,935	—	529,935
Other Income	445,763	—	445,763
Other Expenses - Pension Related	499,450	—	499,450
(Increase) Decrease in Current Assets	(863,180)	17,536	(845,644)
Increase (Decrease) in Current Liabilities	2,221,511	(45,265)	2,176,246
Net Cash Provided by Operating Activities	1,130,356	203,175	1,333,531

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Fiduciary Net Position December 31, 2022

	Pension Trust
ASSETS	
Cash and Cash Equivalents	\$ 264,094
Investments	
Illinois Police Pension Investment Fund	38,622,772
Illinois Firefighters' Pension Investment Fund	40,729,032
Annuity Contracts	10,516,003
Money Market Mutual Funds	2,910,844
Receivables	
Accounts	1,871
Accrued Interest	937
Due From Municipality	1,440,075
Prepays	10,071
Total Assets	94,495,699
LIABILITIES	
Accounts Payable	4,155
NET POSITION	
Net Position Restricted for Pensions	94,491,544

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended December 31, 2022

	Pension Trust
Additions	
Contributions - Employer	\$ 8,088,275
Contributions - Plan Members	1,082,266
Total Contributions	<u>9,170,541</u>
Investment Income	
Interest Earned	932,312
Net Change in Fair Value	<u>(13,554,275)</u>
	(12,621,963)
Less Investment Expenses	<u>(94,744)</u>
Net Investment Income	<u>(12,716,707)</u>
Total Additions	<u>(3,546,166)</u>
Deductions	
Administration	114,447
Benefits and Refunds	<u>9,739,022</u>
Total Deductions	<u>9,853,469</u>
Change in Fiduciary Net Position	(13,399,635)
Net Position Restricted for Pensions	
Beginning	<u>107,891,179</u>
Ending	<u><u>94,491,544</u></u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Morton Grove (the Village) is a municipal corporation governed by an elected president and a six-member Board of Trustees.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Morton Grove
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In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Municipal Employees' Retirement Fund (MERF)

The Village's municipal employees participate in the Municipal Employees' Retirement Fund (MERF). MERF functions for the benefit of these employees and is governed by the Village Board of Trustees. The Village and MERF participants are obligated to fund all MERF costs based upon actuarial valuations. The Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, MERF is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's municipal employees that are not members of the Police Pension Employees Retirement System or the Firefighters' Pension Employees Retirement System and because of the fiduciary nature of such activities. MERF is reported as a pension trust fund.

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the Pension Board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

REPORTING ENTITY - Continued

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the Village President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's public safety, streets and sidewalks, vehicle and maintenance, health and human services, community development, building and inspection services, and general administrative services are classified as governmental activities. The Village's water and sewer, solid waste, municipal parking, and Morton Grove Days services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column; and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, water and sewer, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) 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 requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, Investment Income, etc.).

The Village allocates indirect costs paid from the General Fund to other funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund balance, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village can electively add funds, as major funds, which either have debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Governmental Funds - Continued

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains nine special revenue funds. The Lehigh/Ferris Tax Increment Financing Fund, a major fund, is used to account for tax increment revenue and other financial resources received along with the costs related to the Village's Tax Increment Financing (TIF) District. The fund entails the TIF District along Lehigh and Ferris Avenues. The TIF District is authorized by state law and is created to promote redevelopment of certain parcels declared as "blighted" into a higher and more productive land use. The Sawmill Station Tax Increment Financing Fund, also a major fund, is used to account for tax increment revenue and other financial resources received along with the costs related to the Village's Tax Increment Financing (TIF) District. The fund entails the TIF District at Waukegan Road and Dempster Street. The TIF District is authorized by state law and is created to promote redevelopment of certain parcels declared as "blighted" into a higher and more productive land use. The Lincoln Lehigh Tax Increment Financing Funds, a major fund, is used to account for redevelopment of one of the oldest mixed use neighborhoods around the Morton Grove Metra Station that includes industrial area facing increased obsolescence and vacancy.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village treats the Capital Projects Fund as a major fund.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The Village maintains four enterprise funds. The Water and Sewer Fund, a major fund, accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing and billing and collection. The Solid Waste Fund, a nonmajor fund, is used to account for the operation of the Village waste collection services. All activities necessary to provide such services mainly involve the collection and disposition of waste and recyclable items. The Municipal Parking Fund, a nonmajor fund, is used to account for the operation of the Village parking lots and monies received from permit sales. All activities necessary to provide such services are accounted for in this fund, including but not limited to operations, maintenance and improvements. The Morton Grove Days Fund, also a nonmajor fund, is used to account for the operation of the Village annual festival held over the Fourth of July.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Fiduciary Funds

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

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Municipal Employees' Retirement Fund is used to account for the accumulation of resources to be used for retirement and disability pensions for the Village's municipal employees. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

The Village's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund balance is classified as net position.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70.

A sixty-day availability period is used for revenue recognition for all other governmental fund revenues, except for sales and related taxes, utility taxes, and use taxes which use a ninety-day availability period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise fees, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and custodial funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; Level 3 inputs are significant unobservable inputs.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise fees, and grants. Business-type activities report utility charges as their major receivables.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays - Land Held for Resale

Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets and traffic signals are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION - Continued

Capital Assets - Continued

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	14 - 50 Years
Vehicles and Equipment	5 - 20 Years
Infrastructure	7 - 50 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and for proprietary fund types 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 type Statement of Net Position. 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 issuance costs are reported as expenses at the time of issuance.

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 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 debt service expenditures.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION - Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the department level) for the General, Special Revenue, Debt Service, and Capital Projects Funds on the modified accrual basis and for the Enterprise and Pension Trust Funds on the accrual basis. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level for all funds. All annual appropriations lapse at fiscal year-end.

All departments of the Village submit requests for appropriation to the Village Administrator so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. All annual appropriations lapse at fiscal year-end. The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. The administrator is authorized to transfer budgeted amounts between departments within the General Fund and at the fund level for all other funds; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, no supplementary appropriations were necessary.

DEFICIT FUND BALANCES/NET POSITION

The following funds had deficit fund balance/net position as of the date of this report:

Fund	Deficit
Debt Service	\$ 125,279
Economic Development	221,017
Morton Grove Days	100,661

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
General	\$ 1,129,804
Police Pension	81,739

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust fund. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments". In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds, and the Illinois Metropolitan Investment Fund.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

Village

Deposits and Investments. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$18,452,156 and the bank balances totaled \$18,988,760. Additionally, at year-end the Village has \$11,356,581 invested in the Illinois Funds, \$274,928 invested in IMET, and \$2,909,588 invested in money market mutual funds. The Illinois Funds and IMET are measured at net asset value per share as determined by the pool.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village limits its 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 or implicitly guaranteed by the United States Government or in pools. The Illinois Funds and IMET are rated AAAM by Standard and Poor's.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village - Continued

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities. However, securities may be sold prior to maturity if the sale minimizes the loss of principal in a declining credit market, a security swap would improve the quality, yield or target duration of the portfolio or for liquidity needs of the portfolio. Investments reserve funds may be purchased with maturities to match future projects or liability requirements. The average maturity for Illinois Funds is less than one year and for IMET is one to three years.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy does not address custodial credit risk for deposits. At year-end, all of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance.

In the case of investments, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Village's name. At year-end, the Village's investment in the Illinois Funds and IMET are not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration of credit risk. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Municipal Employees Retirement Fund

Deposits. At year-end, the Fund has no deposits and only holds investments in annuity contracts.

Interest Rate Risk. The Fund's investment policy does not address interest rate risk.

Credit Risk. The Fund's investment policy does not address credit risk.

Custodial Credit Risk. For deposits, the Fund's investment policy does not address custodial credit risk. For an investment, the Fund's investment policy does not address custodial credit risk. The annuity contracts are not subject to custodial credit risk.

Concentration Risk. The Fund's investment policy does not address concentration risk. At year-end, the Fund's investment in annuity contracts of \$10,516,003 represents 100% of the overall investment portfolio and are valued using significant other observable inputs to calculate the fair value measurement (Level 2 inputs).

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Municipal Employees Retirement Fund - Continued

Concentration Risk - Continued. The Fund's investment policy establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Return
Annuity Contracts	100%	4.5%

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2017 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 asset 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 the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are listed in the table above.

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was not available. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested

Police Pension Fund

The Illinois Police Officers Pension Investment Fund (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. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the 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, which can be obtained from IFPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org. The Fund transferred all eligible assets to the Investment Fund on July 6, 2022.

Deposits. The Fund retains all its 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 IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$254,008 and the bank balances totaled \$259,124. In addition, the Fund has \$2,103,851 invested in Mutual Funds, with a maturity of less than one year.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Continued

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy does not address custodial credit risk for investments. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

Investments. At year-end the Fund has \$38,622,772 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org.

Investment Policy. IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF 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 3 of the Illinois Pension Code.

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was not available. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund

The Illinois Firefighters' Pension Investment Fund (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 of the 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, which can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org. The Fund transferred all eligible assets to the IFPIF on January 1, 2022.

Deposits. The Fund retains all its 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 IFPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$10,086 and the bank balances totaled \$10,086. In addition, the Fund has \$806,993 invested in Mutual Funds, with a maturity of less than one year.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy does not address custodial credit risk for investments. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Continued

Investments. At year-end the Fund has \$40,729,032 invested in IFPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org.

Investment Policy. IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). 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.

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was not available. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2021 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically.

LOAN RECEIVABLE - DEVELOPER

In December 2010, the Village executed a loan of \$1,700,000 to a developer in return for the developer agreeing to build and operate a senior living facility in the Lehigh/Ferris TIF District. The loan will be repaid upon sale or refinancing the development. In addition, the Village will reimburse the developer up to \$1,100,000 from new incremental taxes generated by the development during the life of the TIF District.

In December 2016, the Village sold a parcel of land within the Lehigh Ferris TIF district to a developer for \$1,670,000. The developer has signed a note and mortgage in favor of the Village for 100% of the purchase price. The Village will reduce the note and mortgage in accordance with the redevelopment agreement for a portion of the increased taxes received by the Village for the first 15 years or until the note is paid in full, whichever is sooner.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 43,972,244	—	—	43,972,244
Construction in Progress	110,186	663,181	—	773,367
	<u>44,082,430</u>	<u>663,181</u>	<u>—</u>	<u>44,745,611</u>
Depreciable Capital Assets				
Buildings and Improvements	19,989,176	369,989	—	20,359,165
Vehicles and Equipment	8,283,726	360,815	229,448	8,415,093
Infrastructure	33,328,108	91,662	—	33,419,770
	<u>61,601,010</u>	<u>822,466</u>	<u>229,448</u>	<u>62,194,028</u>
Less Accumulated Depreciation				
Buildings and Improvements	16,312,266	288,215	—	16,600,481
Vehicles and Equipment	6,103,574	390,008	229,448	6,264,134
Infrastructure	28,459,094	528,332	—	28,987,426
	<u>50,874,934</u>	<u>1,206,555</u>	<u>229,448</u>	<u>51,852,041</u>
Total Net Depreciable Capital Assets	<u>10,726,076</u>	<u>(384,089)</u>	<u>—</u>	<u>10,341,987</u>
Total Net Capital Assets	<u>54,808,506</u>	<u>279,092</u>	<u>—</u>	<u>55,087,598</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 259,765
Public Safety	306,003
Public Works	<u>640,787</u>
	<u>1,206,555</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 300,495	—	—	300,495
Construction in Progress	45,164	—	45,164	—
	345,659	—	45,164	300,495
Other Capital Assets				
Buildings and Improvements	17,878,839	588,988	—	18,467,827
Equipment	4,081,842	441,000	30,313	4,492,529
	21,960,681	1,029,988	30,313	22,960,356
Less Accumulated Depreciation				
Buildings and Improvements	9,679,243	297,786	—	9,977,029
Equipment	2,258,866	259,228	30,313	2,487,781
	11,938,109	557,014	30,313	12,464,810
Total Other Capital Assets	10,022,572	472,974	—	10,495,546
Total Capital Assets	10,368,231	472,974	45,164	10,796,041

Depreciation expense was charged to business-type activities as follows:

Water and Sewer	<u>\$ 557,014</u>
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INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Sawmill Station Tax Increment Financing	Lehigh/Ferris Tax Incremental Financing	\$ 1,700,000
Lincoln Lehigh Tax Increment Financing	Lehigh/Ferris Tax Incremental Financing	10,413,404
Debt Service	General	724,750
		<u>12,838,154</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND BALANCES

Interfund balances are advances in anticipation of receipts of cash shortages. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Debt Service	\$ 366,552
General	Nonmajor Governmental	545,277
General	Water and Sewer	102,757
General	Nonmajor Business-Type	102,386
Lehigh/Ferris Tax Increment Financing	Sawmill Station Tax Increment Financing	44,364
Nonmajor Governmental	General	7,370
		<u>1,168,706</u>

LEASES RECEIVABLE

The Village is a lessor on the following leases at year end:

Lease	Term Length	Commencement	Payments	Interest Rate
Cell Tower	315 Months	1/1/2022	\$4,353 to \$12,072 Per Month	2.11%
Antenna Lease	26 Months	1/1/2022	\$6,189 to \$6,565 Per Month	3.00%

During the fiscal year, the Village has recognized \$129,938 of lease revenue.

The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Principal	Interest
2023	\$ 95,809	38,566
2024	34,808	36,537
2025	24,538	36,002
2026	27,508	35,456
2027	30,638	34,846
2028 - 2032	209,459	165,329
2033 - 2037	313,243	135,506
2038 - 2042	450,351	95,640
2043 - 2047	624,852	39,441
Thereafter	36,652	3,351
	<u>1,847,858</u>	<u>620,674</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$10,010,000 General Obligation Bonds of 2015, due in annual installments of \$560,000 to \$1,840,000, plus interest at 4.00% through December 15, 2024.	Lehigh/ Ferris Tax Increment Financing \$ Debt Service	955,000	—	828,000	127,000
		2,385,000	—	1,012,000	1,373,000
\$5,455,000 General Obligation Refunding Bonds of 2019, due in annual installments of \$385,000 to \$730,000, plus interest at 2.00% to 5.00% through December 15, 2029.	Debt Service Water and Sewer	2,595,600	—	263,200	2,332,400
		2,039,400	—	206,800	1,832,600
		7,975,000	—	2,310,000	5,665,000

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Tax Increment Financing Revenue Bonds

The Village issues TIF revenue bonds for which the Village pledges income from specific revenue source to pay debt service. The TIF revenue bonds payments are only made when incremental revenue is received by the Village. TIF revenue bonds currently outstanding are as follows:

	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$18,635,000 Senior Lien Tax Increment Revenue Bonds of 2019, due in annual installments of \$495,000 to \$1,885,000, including interest at 4.25% to 5.00% through January 1, 2039.	Sawmill Station Tax Increment Financing	\$ 18,635,000	—	—	18,635,000

Intergovernmental Agreement - School District 70

In 2000, the Village entered into an intergovernmental agreement with Morton Grove School District 70. The agreement calls for the Village to remit to the school district a portion of the proposed tax revenue due to projected growth in the equalized assessed valuation for existing properties located in the Lehigh/Ferris TIF and existing on the date when the TIF was formed. Payments are made December 31 of each year and shall continue until the conclusion of the TIF at which time all future growth in the equalized assessed valuation will be released for distribution of property tax revenues to the overlapping taxing jurisdictions. During the year ended December 31, 2022, the Village made total intergovernmental payments of \$233,383 from general (non-TIF) revenues. The tax revenue is determined on an annual basis and the estimated future liability is shown below.

Fiscal Year	Governmental Activities School District 70
2023	\$ 246,879

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 1,014,888	24,800	49,600	990,088	198,018
Net Pension Liability/(Asset)					
IMRF	(240,439)	1,214,084	—	973,645	—
MERF	14,860,542	—	7,539,084	7,321,458	—
Police Pension	29,536,741	9,830,072	—	39,366,813	—
Firefighters' Pension	24,538,625	12,813,108	—	37,351,733	—
Total OPEB Liability - RBP	15,272,085	—	3,694,655	11,577,430	—
General Obligation Bonds	5,935,600	—	2,103,200	3,832,400	1,007,200
Unamortized Bond Premium	643,783	—	218,497	425,286	—
Tax Increment Financing Revenue Bonds	18,635,000	—	—	18,635,000	495,000
Unamortized Bond Premium	164,524	—	9,140	155,384	—
Intergovernmental Agreement Payable	480,262	—	233,383	246,879	246,879
	<u>110,841,611</u>	<u>23,882,064</u>	<u>13,847,559</u>	<u>120,876,116</u>	<u>1,947,097</u>
Business-Type Activities					
Compensated Absences	128,295	20,716	41,432	107,579	21,516
Net Pension Liability/(Asset)					
IMRF	(47,405)	225,541	—	178,136	—
MERF	6,257,182	—	157,085	6,100,097	—
Total OPEB Liability - RBP	711,332	398,740	—	1,110,072	—
General Obligation Bonds	2,039,400	—	206,800	1,832,600	217,800
Unamortized Bond Premium	216,635	—	27,079	189,556	—
	<u>9,305,439</u>	<u>644,997</u>	<u>432,396</u>	<u>9,518,040</u>	<u>239,316</u>

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liabilities/(asset), and the total OPEB liability. The Debt Service Fund and the Lehigh/Ferris Tax Increment Financing Fund make payments on the general obligation bonds. The intergovernmental agreement payable is being paid by the Economic Development Fund.

For business-type activities, the Water and Sewer Fund makes payments on the compensated absences, the net pension liability/(asset), the total OPEB liability, and the general obligation bonds.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. "The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts." To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities				Business-Type Activities	
	General		Tax Increment Financing		General	
	Obligation Bonds		Revenue Bonds		Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,007,200	160,239	495,000	884,631	217,800	73,024
2024	1,061,200	109,879	610,000	861,150	228,800	62,134
2025	305,200	64,519	640,000	834,588	239,800	50,694
2026	319,200	49,259	675,000	806,644	250,800	38,703
2027	333,200	33,299	780,000	775,725	261,800	26,163
2028	397,600	16,639	820,000	741,725	312,400	13,073
2029	408,800	8,687	860,000	706,025	321,200	6,825
2030	—	—	980,000	663,250	—	—
2031	—	—	1,035,000	612,875	—	—
2032	—	—	1,095,000	559,625	—	—
2033	—	—	1,235,000	501,375	—	—
2034	—	—	1,300,000	438,000	—	—
2035	—	—	1,375,000	371,125	—	—
2036	—	—	1,530,000	298,500	—	—
2037	—	—	1,615,000	219,875	—	—
2038	—	—	1,705,000	136,875	—	—
2039	—	—	1,885,000	47,125	—	—
Totals	3,832,400	442,521	18,635,000	9,459,113	1,832,600	270,616

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Industrial Revenue Bonds

On December 14, 2007, the Village approved the sale of \$30,000,000 Cultural Facility Variable Rate Demand Revenue Bonds, Series 2007 to be used for the construction of a Holocaust Museum in Skokie, Illinois by a not-for-profit agency. These bonds are industrial revenue bonds and are secured solely by the property financed. The bonds are payable solely by the property owners. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements.

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2022:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	55,087,598
Plus: Unamortized Loss on Refunding		22,752
Less Capital Related Debt:		
General Obligation Bond of 2015		(1,500,000)
General Obligation Refunding Bond of 2019		(2,332,400)
Unamortized Bond Premium		<u>(425,286)</u>
Net Investment in Capital Assets		<u>50,852,664</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		10,796,041
Less Capital Related Debt:		
General Obligation Refunding Bond of 2019		(1,832,600)
Unamortized Bond Premium		<u>(189,556)</u>
Net Investment in Capital Assets		<u>8,773,885</u>

NET POSITION RESTATEMENTS

Beginning net position was restated due to the correction of prior year capital asset depreciation. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	Increase
Business-Type Activities	\$ 4,383,471	4,427,516	44,045
Water and Sewer	2,865,069	2,909,114	44,045

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

	General	Special Revenue			Debt Service	Capital Projects	Nonmajor	Totals
		Lehigh/ Ferris Tax Increment Financing	Sawmill Station Tax Increment Financing	Lincoln Lehigh Tax Increment Financing				
Nonspendable								
Prepays	\$ 192	100,000	—	—	—	—	—	100,192
Restricted								
Public Safety	—	—	—	—	—	—	1,894,270	1,894,270
Streets and Sidewalks	—	—	—	—	—	—	2,571,569	2,571,569
Community Development	—	5,545,402	5,551,898	10,167,774	—	—	—	21,265,074
Capital Improvements	—	—	—	—	—	1,558,255	—	1,558,255
	—	5,545,402	5,551,898	10,167,774	—	1,558,255	4,465,839	27,289,168
Unassigned	14,558,106	—	—	—	(125,279)	—	(221,017)	14,211,810
Total Fund Balances	14,558,298	5,645,402	5,551,898	10,167,774	(125,279)	1,558,255	4,244,822	41,601,170

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters.

Intergovernmental Risk Management Agency

These risks (except employee health) are covered by the Village's participation in Intergovernmental Risk Management Association (IRMA), an organization of municipalities and special villages in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/ litigation management services; unemployment claim administration/litigation management services; unemployment claim administration; extensive risk management/ loss control consulting and training programs; and a risk information system and financial reporting service for its members.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Intergovernmental Risk Management Agency - Continued

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors. The Village paid an original contribution that was based on the Village's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience.

The Village has a contractual obligation to fund any deficit of IRMA attributable to a membership year during which the Village was a member. Supplemental contributions may be required to fund these deficits. No supplemental contributions were due at December 31, 2022. The Village has recorded a prepaid for the excess surplus balance of \$1,510,564 in the General Fund as of December 31, 2022.

Intergovernmental Personnel Benefit Cooperative

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by its members to their officers and employees and to the officers and employees of certain other governmental, quasi-governmental and nonprofit public service entities. Risk of loss is retained by the Village, except that IPBC purchases excess coverage policies. The Village had terminal reserve net of any deficits of other subaccounts as of June 30, 2022 (most recent available) of \$1,479,206. This amount was declared as a dividend to the Village and, therefore, has been recorded as a prepaid in the General Fund.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are three officers, a Benefit Administrator and a Treasurer. The Village does not exercise any control over activities of IPBC beyond its representation on the Board of Directors.

CONTINGENT LIABILITIES

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

JOINTLY GOVERNED ORGANIZATION

Regional Emergency Dispatch Center

The Regional Emergency Dispatch Center (the Center) is a governmental joint venture of Illinois municipalities which is used to account for the resources involved in dispatching fire and medical emergency services to a seven-community area. The fund is supported by contributions by the eight-member departments.

Management consists of a Board of Directors comprised of one elected officer from each member. There is also a Joint Chiefs Authority which is comprised of the fire chief from each member, which takes care of day-to-day activities.

The Village does not exercise any control over the activities of the Center beyond its representation on the Board of Directors and Joint Chiefs Authority. Annual contributions are determined each year based on the estimated number of fire calls for the upcoming year. Each year, the members sign a contract which denotes the amount of the contribution for the year. The Board of Directors has the power to levy a special assessment should a deficit or emergency arise.

Complete separate financial statements for the Center may be obtained at the Center's office located at 1842 Shermer Road, Northbrook, Illinois 60062.

COMMITMENTS

Economic Development and Redevelopment Agreement - Gary D. McGrath Audi

On December 9, 2013, the Village entered into a redevelopment agreement with Gary D. McGrath, a local auto dealership owner. The agreement calls for Mr. McGrath to provide new jobs, substantial new property taxes, sales taxes, and economic development for the Village. The Village will waive certain permit fees, contribute \$250,000 to the construction costs, and share sales tax revenue generated by the Audi dealership as follows: the dealership will receive 75% of sales taxes paid to the Village for the first ten years after the dealership opens up to a maximum of \$5,000,000. Amounts paid under the terms of the agreement were \$496,466 for year ended December 31, 2022.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURES

Solid Waste Agency of Northern Cook County (SWANCC)

Solid Waste Agency of Northern Cook County (SWANCC) The Village is a member of the Solid Waste Agency of Northern Cook County (SWANCC) which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. SWANCC is empowered to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members. SWANCC is governed by a Board of Directors which consists of the mayor or president from each member municipality. Each director has an equal vote. The officers of SWANCC are appointed by the Board of Directors. The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts provides for the issuance of debt, adopts by-laws, rules and regulations and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws.

Complete financial statements for SWANCC can be obtained from the SWANCC's administrative office at 77 W. Hintz Road, Suite 200, Wheeling, Illinois 60090.

SWANCC's outstanding bonds are revenue obligations. They are limited obligations of SWANCC with a claim for payment solely from and secured by a pledge of the revenues of the system and amounts in various funds and accounts established by SWANCC resolutions. The bonds are not the debt of any member. SWANCC has no power to levy taxes.

Revenues of the system consist of (1) all receipts derived from solid waste disposal contracts or any other contracts for the disposal of waste; (2) all income derived from the investment of monies; and (3) all income, fees, service charges and all grants rents and receipts derived by SWANCC from the ownership and operation of the system. SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

SWANCC has entered into solid waste disposal contracts with the member municipalities. The contracts are irrevocable and may not be terminated or amended except as provided for in the contract. Each member is obligated, on a "take or pay" basis, to deliver a minimum amount of solid waste to the system. The obligation of the Village to make all payments as required by this contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under the contract. The contract does not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the contract, the Village made payments totaling \$442,168 to SWANCC in 2022, which includes payment for debt contribution. The Village does not have an equity interest in SWANCC at December 31, 2022.

Commencing in 2008, the annual expense will be subject to change based upon the actual tonnage of refuse disposed of and current SWANCC costs. Beginning in 2004, the cost of brush collection was transferred to the residents. The Village continues to pay tipping fees averaging about \$36,764 a month or \$442,168 a year.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURES - Continued

Morton Grove-Niles Water Commission (MGNWC)

The Village entered into an intergovernmental agreement in 2017 with the Village of Niles regarding establishment in the Morton Grove-Niles Water Commission (MGNWC). The Villages have authorized and expended public funds to pay for the assessment and feasibility studies and reports, the preliminary engineering and design work, other consulting services and related legal work, and other costs associated with jointly acquiring, developing, constructing and operating a common source of supply of water and a related waterworks system prior to and after the formation of the Commission (the "Costs of the Project"), including the proposed Commission Waterworks System improvements and the formation of the Commission, even if the Connection Project is never constructed or water is never supplied by the Commission to the Villages or the Commission is dissolved. The Villages agree to pay their respective one-half share of the costs of the project as those costs come due until the Commission issues debt or generates revenue for the purpose of reimbursing the Villages for the costs of the project, but such reimbursement period shall not exceed five calendar years.

The Village expended \$3,848,305 in 2022. At December 31, 2022 the outstanding receivable of \$7,124,079 is due from the Commission.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to five defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Sheriff's Law Enforcement Personnel Fund (SLEP), which is administered by the IMRF, the Municipal Employees' Retirement Fund (MERF), a single-employer plan, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. A separate report is issued for MERF, the Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the Village at 6101 Capulina Avenue, Morton Grove, Illinois 60053-2985. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amounts of pension expense recognized for the pension plans are:

	Pension	Net Pension	Deferred	Deferred
	Expenses	Liabilities/ (Asset)	Outflows	Inflows
IMRF				
Village	\$ 406,424	1,151,781	799,535	106,731
Library	110,714	342,811	237,971	31,767
SLEP	213	(1,961)	9,397	—
MERF	3,320,251	13,421,555	547,807	—
Police Pension	2,761,455	39,366,813	8,456,300	6,552,026
Firefighters' Pension	2,119,193	37,351,733	8,360,419	3,710,012
	8,718,250	91,632,732	18,411,429	10,400,536

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees, including the Library's, (other than those covered by the Police Pension or Firefighters' Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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).

IMRF - Regular Plan. IMRF provides two tiers of pension benefits. 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.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Sheriff's Law Enforcement Personnel (SLEP). SLEP members having accumulated at least 30 years of SLEP service and terminating IMRF on or after July 1, 1998, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next 10 years of credited service and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by State statutes.

Plan Membership. As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

	Regular Plan	SLEP Plan
Inactive Plan Members Currently Receiving Benefits	22	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	63	—
Active Plan Members	83	—
Total	168	2

A detailed breakdown of the IMRF Regular Plan membership for inactive members for the Village and Library is unavailable. The above numbers include all inactive members.

Contributions. As set by statute, the Village's Regular Plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2022, the Village's contribution was 7.48% of covered payroll. The Village's SLEP Plan members are required to contribute 7.50% of their annual covered salary. For the year-ended December 31, 2022, the Village's contribution was 0.00% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	
Regular Plan	7.25%
SLEP	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

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.

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:

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. 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 Village contributions will be made at rates equal to the difference between the 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 project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability			
Village	\$ 2,578,950	1,151,781	89,908
Library	767,587	342,811	26,760
Totals	3,346,537	1,494,592	116,668

VILLAGE OF MORTON GROVE, ILLINOIS**Notes to the Financial Statements****December 31, 2022****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Changes in the Net Pension Liability - Regular Plan**

	Village	Library	Totals
Total Pension Liability			
Service Cost	\$ 415,438	123,649	539,087
Interest on the Total Pension Liability	666,378	205,874	872,252
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(49,551)	(14,748)	(64,299)
Changes of Assumptions	—	—	—
Benefit Payments, including Refunds of Employee Contributions	(131,710)	(39,202)	(170,912)
Net Change in Total Pension Liability	900,555	275,573	1,176,128
Total Pension Liability - Beginning	8,813,367	3,033,611	11,846,978
Total Pension Liability - Ending	9,713,922	3,309,184	13,023,106
Plan Fiduciary Net Position			
Contributions - Employer	338,982	100,893	439,875
Contributions - Employees	203,933	60,698	264,631
Net Investment Income	(898,484)	(267,421)	(1,165,905)
Benefit Payments, including Refunds of Employee Contributions	(131,710)	(39,202)	(170,912)
Other (Net Transfer)	(51,791)	(15,415)	(67,206)
Net Change in Plan Fiduciary Net Position	(539,070)	(160,447)	(699,517)
Plan Net Position - Beginning	9,101,211	3,126,820	12,228,031
Plan Net Position - Ending	8,562,141	2,966,373	11,528,514
Employer's Net Pension Liability	1,151,781	342,811	1,494,592

VILLAGE OF MORTON GROVE, ILLINOIS**Notes to the Financial Statements****December 31, 2022****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Changes in the Net Pension (Asset) - SLEP Plan**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2021	\$ 104,905	136,183	(31,278)
Changes for the Year:			
Service Cost	—	—	—
Interest on the Total Pension Liability	7,273	—	7,273
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	1,283	—	1,283
Changes of Assumptions	—	—	—
Contributions - Employer	—	—	—
Contributions - Employees	—	—	—
Net Investment Income	—	(21,472)	21,472
Benefit Payments, Including Refunds of Employee Contributions	(9,183)	(9,183)	—
Other (Net Transfer)	—	711	(711)
Net Changes	(627)	(29,944)	29,317
Balances at December 31, 2022	104,278	106,239	(1,961)

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended December 31, 2022, the Village recognized pension expense of \$406,424 for the Regular Plan and pension expense of \$213 for the SLEP Plan. The Library recognized \$110,714 of pension expense for the Regular Plan. The Village and Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Regular Plan	Village		Library		Totals
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	
Difference Between Expected and Actual Experience	\$ 108,453	(57,207)	32,280	(17,027)	66,499
Change in Assumptions	35,236	(49,524)	10,488	(14,740)	(18,540)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	655,846	—	195,203	—	851,049
Total Deferred Amounts Related to IMRF	799,535	(106,731)	237,971	(31,767)	899,008

SLEP Plan	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	—	—
Change in Assumptions	—	—	—
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	9,397	—	9,397
Total Deferred Amounts Related to IMRF	9,397	—	9,397

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

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:

Fiscal Year	Net Deferred Outflows/(Inflows)			
	Regular Plan			SLEP Plan
	Village	Library	Totals	
2023	\$ 67,557	20,108	87,665	(1,508)
2024	122,869	36,570	159,439	1,370
2025	193,634	57,633	251,267	3,329
2026	311,479	92,707	404,186	6,206
2027	(2,735)	(814)	(3,549)	—
Thereafter	—	—	—	—
Totals	692,804	206,204	899,008	9,397

Municipal Employees' Retirement Fund (MERF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police Pension or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard (1,000 hours) were enrolled in MERF as participating members through January 1, 2005. The plan is closed to new members. Pension benefits vest after ten years of service. Participating members who retire after 30 years of creditable service or at or after age 60 with five years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of average compensation for each of the first 15 years of service, plus 2% of average compensation for each year of service in excess of 15 years. Average compensation is defined as the average of the four calendar years (within the preceding ten years of participation) during which the participant received the highest compensation.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Municipal Employees' Retirement Fund (MERF) - Continued

Plan Descriptions - Continued

Plan Membership. As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	35
Inactive Plan Members Entitled to but not yet Receiving Benefits	15
Active Plan Members	<u>12</u>
Total	<u><u>65</u></u>

Contributions. As set by statute, the Village's participating members are required to contribute 2.00% of their annual salary to MERF. The Village is required to contribute the remaining amounts necessary to fund MERF as specified by the plan. The employer contribution for the year ended December 31, 2022 was 76.04% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	4.50%
Salary Increases	4.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Rates are from a December 31, 2017 IMRF Actuarial Valuation.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Municipal Employees' Retirement Fund (MERF) - Continued

Discount Rate

The discount rate used to measure the total pension liability for the Municipal Employees' Retirement Fund was 4.50%, the same as the prior valuation. 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 Village contributions will be made at rates equal to the difference between the 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 project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Net Pension Liability	\$ 16,198,895	13,421,555	11,074,937

VILLAGE OF MORTON GROVE, ILLINOIS**Notes to the Financial Statements****December 31, 2022****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued****Municipal Employees' Retirement Fund (MERF) - Continued****Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2021	\$ 21,117,724	9,822,727	11,294,997
Changes for the Year:			
Service Cost	303,357	—	303,357
Interest on the Total Pension Liability	943,861	—	943,861
Changes of Benefit Terms	2,351,117	—	2,351,117
Difference Between Expected and Actual Experience of the Total Pension Liability	—	—	—
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,218,384	(1,218,384)
Contributions - Employees	—	32,045	(32,045)
Net Investment Income	—	221,348	(221,348)
Benefit Payments, Including Refunds of Employee Contributions	(892,788)	(892,788)	—
Other (Net Transfer)	—	—	—
Net Changes	2,705,547	578,989	2,126,558
Balances at December 31, 2022	23,823,271	10,401,716	13,421,555

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Municipal Employees' Retirement Fund (MERF) - Continued

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

For the year ended December 31, 2022, the Village recognized pension expense of \$3,320,251. At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	—	—
Change in Assumptions	—	—	—
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	547,807	—	547,807
Total Deferred Amounts Related to IMRF	547,807	—	547,807

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:

Fiscal Year	Net Deferred Outflows of Resources
2023	\$ 212,987
2024	164,356
2025	113,221
2026	57,243
2027	—
Thereafter	—
Total	547,807

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Police Pension Plan

Plan Descriptions

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 (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At December 31, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	58
Inactive Plan Members Entitled to but not yet Receiving Benefits	8
Active Plan Members	<u>44</u>
Total	<u><u>110</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ 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 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent 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 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 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. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

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 Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2022, the Village's contribution was 68.44% of covered payroll.

Concentrations. At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.75% - 12.93%
Adjustments	2.25%
Inflation	2.25%

Mortality rates were based on the PubS-2010 using MP-2021 Improvement Rates.

Discount Rate

The discount rate used to measure the total pension liability for the Police Pension Plan was 7.00%, the same as the prior year valuation. 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 Village contributions will be made at rates equal to the difference between the 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 project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability \$	50,248,400	39,366,813	30,462,857

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2021	\$ 77,590,664	48,053,923	29,536,741
Changes for the Year:			
Service Cost	1,036,423	—	1,036,423
Interest on the Total Pension Liability	5,340,320	—	5,340,320
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	2,931,650	—	2,931,650
Changes of Assumptions	(1,181,027)	—	(1,181,027)
Contributions - Employer	—	3,321,919	(3,321,919)
Contributions - Employees	—	481,043	(481,043)
Net Investment Income	—	(5,461,227)	5,461,227
Benefit Payments, Including Refunds of Employee Contributions	(4,673,610)	(4,673,610)	—
Other (Net Transfer)	—	(44,441)	44,441
Net Changes	3,453,756	(6,376,316)	9,830,072
Balances at December 31, 2022	81,044,420	41,677,607	39,366,813

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

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

For the year ended December 31, 2022, the Village recognized pension expense of \$2,761,455. At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 4,177,988	(1,423,424)	2,754,564
Change in Assumptions	670,606	(5,128,602)	(4,457,996)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,607,706	—	3,607,706
Total Deferred Amounts Related to Police Pension	8,456,300	(6,552,026)	1,904,274

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:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (814,162)
2024	65,721
2025	643,617
2026	1,727,924
2027	281,174
Thereafter	—
Total	1,904,274

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan

Plan Descriptions

Plan Administration. 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 Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At December 31, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	56
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>37</u>
Total	<u><u>97</u></u>

Benefits Provided. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ 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 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent 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 firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3percent compounded annually thereafter.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 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. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base 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 Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2022, the Village's contribution was 83.40% of covered payroll.

Concentrations. At year-end, the Firefighters' Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.75% - 12.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates were based on the PubS-2010(A) Study using MP-2019 Improvement Rates.

Discount Rate

The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 7.00%, the same as the prior valuation. 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 Village contributions will be made at rates equal to the difference between the 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 project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' 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 Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

		1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$	47,910,816	37,351,733	28,675,223

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2021	\$ 74,345,098	49,806,473	24,538,625
Changes for the Year:			
Service Cost	1,046,176	—	1,046,176
Interest on the Total Pension Liability	5,138,339	—	5,138,339
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	2,822,579	—	2,822,579
Changes of Assumptions	268,456	—	268,456
Contributions - Employer	—	3,547,972	(3,547,972)
Contributions - Employees	—	402,233	(402,233)
Net Investment Income	—	(7,417,757)	7,417,757
Benefit Payments, Including Refunds of Employee Contributions	(3,972,852)	(3,972,852)	—
Other (Net Transfer)	—	(70,006)	70,006
Net Changes	5,302,698	(7,510,410)	12,813,108
Balances at December 31, 2022	79,647,796	42,296,063	37,351,733

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

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

For the year ended December 31, 2022, the Village recognized pension expense of \$2,119,193. December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 2,411,033	(2,429,429)	(18,396)
Change in Assumptions	214,764	(1,280,583)	(1,065,819)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,734,622	—	5,734,622
Total Deferred Amounts Related to Firefighters' Pension	8,360,419	(3,710,012)	4,650,407

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:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (577,003)
2024	750,719
2025	1,723,417
2026	2,753,274
2027	—
Thereafter	—
Total	4,650,407

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides medical, prescription drug, dental, vision and life insurance coverage to retirees. Retirees pay 50% of the medical insurance premium, if retired on or before 9/4/2007, 40% -50% of the premium, if employee was hired on or before 9/4/2007 not retired on or before 9/4/2007, or retiree pays the full cost of the premium, if employee was hired after 9/4/2007. Coverage ends at age 65 for disabled employees or once retirees are eligible for Medicare.

Plan Membership. As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	65
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>132</u>
Total	<u><u>197</u></u>

Total OPEB Liability

The Village's total OPEB liability was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial assumptions and other inputs - Continued.

Inflation	2.25%
Salary Increases	3.00%
Discount Rate	4.31%
Healthcare Cost Trend Rates	7.50% in 2022, and an ultimate rate of 4.00% for 2075 and later years
Retirees' Share of Benefit-Related Costs	50% of projected health insurance premiums for retirees

The discount rate was based on The Bond Buyer 20-Bond GO Index.

Mortality rates were based on the December 31, 2020 Illinois Municipal Retirement Fund (IMRF) actuarial valuation report, projected generationally with Improvement Scale MP-2021.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	<u>\$ 15,983,417</u>
Changes for the Year:	
Service Cost	479,095
Interest on the Total OPEB Liability	331,505
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	(296,849)
Changes of Assumptions or Other Inputs	(3,065,883)
Benefit Payments	(743,783)
Net Changes	<u>(3,295,915)</u>
Balance at December 31, 2022	<u><u>12,687,502</u></u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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

The discount rate used to measure the total pension liability was 4.31%, while the prior valuation used 2.06%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

		1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB Liability	\$	13,928,831	12,687,502	11,609,347

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

The following presents the total OPEB liability, calculated using current Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

		1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$	10,326,416	12,687,502	16,047,580

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

For the year ended December 31, 2022, the Village recognized OPEB revenue of \$102,569. At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	(3,566,467)	(3,566,467)
Change in Assumptions	1,658,555	(3,587,771)	(1,929,216)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	1,658,555	(7,154,238)	(5,495,683)

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

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (913,169)
2024	(913,169)
2025	(843,041)
2026	(949,848)
2027	(989,939)
Thereafter	(886,517)
Total	(5,495,683)

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
 - Illinois Municipal Retirement Fund
 - Sheriff's Law Enforcement Personnel Plan
 - Municipal Employees' Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
 - Illinois Municipal Retirement Fund
 - Sheriff's Law Enforcement Personnel Plan
 - Municipal Employees' Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Investment Returns
 - Municipal Employees' Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefit Plan
- Budgetary Comparison Schedules
 - General Fund
 - Lehigh/Ferris Tax Increment Financing - Special Revenue Fund
 - Sawmill Station Tax Increment Financing - Special Revenue Fund
 - Lincoln Lehigh Tax Increment Financing - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF MORTON GROVE, ILLINOIS

Illinois Municipal Retirement Fund Schedule of Employer Contributions December 31, 2022

Fiscal Year		Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	Totals	\$ 289,298	\$ 289,298	\$ —	\$ 3,950,495	7.32%
12/31/2016	Totals	379,476	379,476	—	3,994,494	9.50%
12/31/2017	Totals	399,637	402,175	2,538	4,381,980	9.18%
12/31/2018	Totals	436,714	436,714	—	4,767,619	9.16%
12/31/2019	Totals	380,669	380,669	—	4,960,169	7.67%
12/31/2020	Totals	441,898	441,898	—	5,229,483	8.45%
12/31/2021	Totals	443,864	443,864	—	5,446,179	8.15%
12/31/2022	Village	338,982	338,982	—	4,531,850	7.48%
	Library	100,893	100,893	—	1,348,840	7.48%
	Total	439,875	439,875	—	5,880,690	7.48%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF MORTON GROVE, ILLINOIS

Sheriff's Law Enforcement Personnel Plan

Schedule of Employer Contributions

December 31, 2022

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ —	\$ 1,005	\$ 1,005	\$ —	0.00%
2016	—	883	883	—	0.00%
2017	—	309	309	—	0.00%
2018	—	218	218	—	0.00%
2019	—	—	—	—	0.00%
2020	—	170	170	—	0.00%
2021	—	—	—	—	0.00%
2022	—	—	—	—	0.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% - 13.75%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF MORTON GROVE, ILLINOIS

Municipal Employees' Retirement Fund Schedule of Employer Contributions December 31, 2022

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 919,720	\$ 921,727	\$ 2,007	\$ 2,044,912	45.07%
2016	987,061	969,391	(17,670)	2,237,983	43.32%
2017	1,268,797	1,298,923	30,126	2,299,435	56.49%
2018	1,409,528	1,409,558	30	1,744,800	80.79%
2019	1,116,194	1,116,194	—	1,756,617	63.54%
2020	1,140,546	1,140,546	—	1,726,023	66.08%
2021	1,166,015	1,166,015	—	1,685,968	69.16%
2022	1,209,414	1,218,384	8,970	1,602,250	76.04%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	Fair Value
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	4.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2019 Improvement Rates

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF MORTON GROVE, ILLINOIS

Police Pension Fund

Schedule of Employer Contributions

December 31, 2022

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 1,942,614	\$ 1,746,014	\$ (196,600)	\$ 4,017,422	43.46%
2015	2,114,444	1,819,397	(295,047)	4,131,663	44.04%
2016	2,230,643	2,090,649	(139,994)	4,363,550	47.91%
2017	2,574,244	2,309,955	(264,289)	4,516,274	51.15%
2018	2,677,108	2,695,291	18,183	4,574,078	58.93%
2019	2,782,212	2,796,467	14,255	4,806,496	58.18%
2020	2,855,067	2,866,069	11,002	4,957,898	57.81%
2021	3,300,156	3,128,661	(171,495)	5,459,135	57.31%
2022	3,417,798	3,321,919	(95,879)	4,854,117	68.44%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.75% - 12.93%
Investment Rate of Return	7.00%
Mortality	Sex distinct raw rates as developed in the PubS-2010(A) study, uses MP-2019 improvement rates

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF MORTON GROVE, ILLINOIS

Firefighters' Pension Fund Schedule of Employer Contributions December 31, 2022

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 2,140,182	\$ 1,914,705	\$ (225,477)	\$ 3,707,686	51.64%
2015	2,180,622	1,949,493	(231,129)	4,101,744	47.53%
2016	2,190,316	2,165,900	(24,416)	4,000,016	54.15%
2017	2,471,332	2,291,587	(179,745)	4,140,017	55.35%
2018	2,647,365	2,660,276	12,911	4,165,612	63.86%
2019	2,759,557	2,770,449	10,892	4,256,869	65.08%
2020	2,851,644	2,856,837	5,193	4,138,829	69.03%
2021	3,100,730	2,945,324	(155,406)	5,267,644	55.91%
2022	3,179,524	3,547,972	368,448	4,254,183	83.40%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.75% - 12.75%
Investment Rate of Return	7.00%
Mortality Rates	Sex distinct raw rates as developed in the PubS-2010(A) study, uses MP-2019 improvement rates

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF MORTON GROVE, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

December 31, 2022

	12/31/15	12/31/16	12/31/17
Total Pension Liability			
Service Cost	\$ 429,566	434,382	457,409
Interest	409,549	455,091	514,005
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(186,773)	8,925	(39,758)
Change of Assumptions	—	(10,936)	(230,696)
Benefit Payments, Including Refunds of Member Contributions	(39,656)	(53,756)	(189,365)
Net Change in Total Pension Liability	612,686	833,706	511,595
Total Pension Liability - Beginning	5,272,987	5,885,673	6,719,379
Total Pension Liability - Ending	5,885,673	6,719,379	7,230,974
Plan Fiduciary Net Position			
Contributions - Employer	\$ 389,954	379,476	402,175
Contributions - Members	177,773	179,752	201,543
Net Investment Income	22,516	316,372	832,655
Benefit Payments, Including Refunds of Member Contributions	(39,656)	(53,756)	(189,365)
Other (Net Transfer)	(242,491)	(54,719)	21,236
Net Change in Plan Fiduciary Net Position	308,096	767,125	1,268,244
Plan Net Position - Beginning	4,239,209	4,547,305	5,314,430
Plan Net Position - Ending	4,547,305	5,314,430	6,582,674
Employer's Net Pension Liability/(Asset)	\$ 1,338,368	1,404,949	648,300
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.26%	79.09%	91.03%
Covered Payroll	\$ 3,950,495	3,994,494	4,381,980
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	33.88%	35.17%	14.79%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2016 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017.

Totals				Village	Library	Totals
12/31/18	12/31/19	12/31/20	12/31/21		12/31/22	
455,106	499,164	501,927	504,672	415,438	123,649	539,087
555,728	635,548	704,489	786,255	666,378	205,874	872,252
—	—	—	—			—
101,443	(76,652)	222,835	52,058	(49,551)	(14,748)	(64,299)
317,739	—	(152,482)	—			—
(97,670)	(93,474)	(123,548)	(177,134)	(131,710)	(39,302)	(171,012)
1,332,346	964,586	1,153,221	1,165,851	900,555	275,473	1,176,028
7,230,974	8,563,320	9,527,906	10,681,127	8,813,367	3,033,611	11,846,978
8,563,320	9,527,906	10,681,127	11,846,978	9,713,922	3,309,084	13,023,006
436,714	378,956	441,898	443,864	338,982	100,893	439,875
214,543	223,207	235,332	245,079	203,933	60,698	264,631
(214,824)	1,153,230	1,112,644	1,571,523	(898,484)	(267,421)	(1,165,905)
(97,670)	(93,474)	(123,548)	(177,134)	(131,710)	(39,202)	(170,912)
(7,504)	(25,673)	12,848	(84,654)	(51,791)	(15,415)	(67,206)
331,259	1,636,246	1,679,174	1,998,678	(539,070)	(160,447)	(699,517)
6,582,674	6,913,933	8,550,179	10,229,353	9,101,211	3,126,820	12,228,031
6,913,933	8,550,179	10,229,353	12,228,031	8,562,141	2,966,373	11,528,514
1,649,387	977,727	451,774	(381,053)	1,151,781	342,711	1,494,492
80.74%	89.74%	95.77%	103.22%	88.14%	89.64%	88.52%
4,767,619	4,960,169	5,229,483	5,446,179	4,531,850	1,348,840	5,880,690
34.60%	19.71%	8.64%	(7.00%)	25.42%	25.41%	25.41%

VILLAGE OF MORTON GROVE, ILLINOIS

Sheriff's Law Enforcement Personnel Plan

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

December 31, 2022

	12/31/15	12/31/16
Total Pension Liability		
Service Cost	\$ —	—
Interest	7,550	7,564
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	830	885
Change of Assumptions	415	(509)
Benefit Payments, Including Refunds of Member Contributions	(7,982)	(8,154)
Net Change in Total Pension Liability	813	(214)
Total Pension Liability - Beginning	104,794	105,607
Total Pension Liability - Ending	105,607	105,393
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,005	883
Contributions - Members	—	—
Net Investment Income	495	6,953
Benefit Payments, Including Refunds of Member Contributions	(7,982)	(8,154)
Other (Net Transfer)	5,184	768
Net Change in Plan Fiduciary Net Position	(1,298)	450
Plan Net Position - Beginning	102,524	101,226
Plan Net Position - Ending	101,226	101,676
Employer's Net Pension Liability/(Asset)	\$ 4,381	3,717
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.85%	96.47%
Covered Payroll	\$ —	—
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	0.00%	0.00%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2021. Changes in assumptions related to the demographics were made in 2017.

12/31/17	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22
7,593	—	—	—	—	—
—	7,406	7,317	7,296	7,314	7,273
—	—	—	—	—	—
934	1,039	1,146	1,235	1,208	1,283
(2,603)	2,304	—	648	—	—
(8,319)	(8,491)	(8,666)	(8,839)	(9,010)	(9,183)
(2,395)	2,258	(203)	340	(488)	(627)
105,393	102,998	105,256	105,053	105,393	104,905
102,998	105,256	105,053	105,393	104,905	104,278
309	218	—	170	—	—
—	—	—	—	—	—
20,468	(9,000)	21,207	17,609	22,914	(21,472)
(8,319)	(8,491)	(8,666)	(8,839)	(9,010)	(9,183)
(2,199)	3,305	633	1,880	318	711
10,259	(13,968)	13,174	10,820	14,222	(29,944)
101,676	111,935	97,967	111,141	121,961	136,183
111,935	97,967	111,141	121,961	136,183	106,239
(8,937)	7,289	(6,088)	(16,568)	(31,278)	(1,961)
108.68%	93.07%	105.80%	115.72%	129.82%	101.88%
—	—	—	—	—	—
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

VILLAGE OF MORTON GROVE, ILLINOIS

Municipal Employees' Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2022

	12/31/15	12/31/16
Total Pension Liability		
Service Cost	\$ 283,482	287,787
Interest	868,067	1,237,559
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	(745,910)	1,426,704
Change of Assumptions	7,685,672	(499,817)
Benefit Payments, Including Refunds of Member Contributions	(1,213,649)	(534,905)
Net Change in Total Pension Liability	6,877,662	1,917,328
Total Pension Liability - Beginning	18,959,198	25,836,860
Total Pension Liability - Ending	25,836,860	27,754,188
Plan Fiduciary Net Position		
Contributions - Employer	\$ 921,727	969,391
Contributions - Members	44,270	41,532
Net Investment Income	215,747	235,292
Benefit Payments, Including Refunds of Member Contributions	(1,213,649)	(534,905)
Administrative Expense	—	—
Net Change in Plan Fiduciary Net Position	(31,905)	711,310
Plan Net Position - Beginning	8,338,149	8,306,244
Plan Net Position - Ending	8,306,244	9,017,554
Employer's Net Pension Liability	\$ 17,530,616	18,736,634
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.15%	32.49%
Covered Payroll	\$ 2,044,912	2,237,893
Employer's Net Pension Liability as a Percentage of Covered Payroll	857.28%	837.24%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2019 and 2021.

12/31/17	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22
179,636	187,540	151,748	413,276	272,631	303,357
1,206,931	1,032,847	1,026,174	1,049,975	1,018,303	943,861
—	—	—	—	—	—
(627,124)	(667,891)	518,148	(1,417,988)	1,225,934	2,351,117
(3,827,913)	(281,528)	983,788	—	(2,489,368)	—
(647,877)	(1,128,079)	(753,736)	(984,372)	(3,077,519)	(892,788)
(3,716,347)	(857,111)	1,926,122	(939,109)	(3,050,019)	2,705,547
27,754,188	24,037,841	23,180,730	25,106,852	24,167,743	21,117,724
24,037,841	23,180,730	25,106,852	24,167,743	21,117,724	23,823,271
1,298,923	1,409,558	1,116,194	1,140,546	1,166,015	1,218,384
41,076	36,311	34,885	40,600	28,170	32,045
196,453	210,246	235,316	246,769	195,694	221,348
(647,877)	(1,128,079)	(753,736)	(984,372)	(3,077,519)	(892,788)
—	—	—	—	—	—
888,575	528,036	632,659	443,543	(1,687,640)	578,989
9,017,554	9,906,129	10,434,165	11,066,824	11,510,367	9,822,727
9,906,129	10,434,165	11,066,824	11,510,367	9,822,727	10,401,716
14,131,712	12,746,565	14,040,028	12,657,376	11,294,997	13,421,555
41.21%	45.01%	44.08%	47.63%	46.51%	43.66%
2,299,435	1,744,800	1,756,617	1,726,023	1,685,968	1,602,250
614.57%	730.55%	799.27%	733.33%	669.94%	837.67%

VILLAGE OF MORTON GROVE, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2022

	12/31/14	12/31/15
Total Pension Liability		
Service Cost	\$ 999,888	1,204,804
Interest	4,067,424	3,656,752
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	1,780,289	4,148,200
Change of Assumptions	—	3,982,348
Benefit Payments, Including Refunds of Member Contributions	(3,284,173)	(3,335,184)
Net Change in Total Pension Liability	3,563,428	9,656,920
Total Pension Liability - Beginning	55,964,162	59,527,590
Total Pension Liability - Ending	59,527,590	69,184,510
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,746,014	1,819,397
Contributions - Members	399,590	412,809
Net Investment Income	1,972,181	(160,038)
Benefit Payments, Including Refunds of Member Contributions	(3,284,173)	(3,335,184)
Administrative Expenses	(47,891)	(42,462)
Net Change in Plan Fiduciary Net Position	785,721	(1,305,478)
Plan Net Position - Beginning	31,379,333	32,165,054
Plan Net Position - Ending	32,165,054	30,859,576
Employer's Net Pension Liability	\$ 27,362,536	38,324,934
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.03%	44.60%
Covered Payroll	\$ 4,017,422	4,131,663
Employer's Net Pension Liability as a Percentage of Covered Payroll	681.10%	927.59%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to mortality, retirement, disability, and termination rates tables and assumed salary increase rates were changes in 2015 through 2020 and 2022. Changes of assumptions related to the inflation rate were made in 2022.

12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22
1,307,855	1,386,849	1,253,363	1,275,666	1,122,225	1,162,292	1,036,423
4,075,261	4,383,166	4,559,077	4,704,702	4,679,886	5,114,734	5,340,320
—	—	—	540,254	—	—	—
87,939	60,088	455,002	1,328,505	2,143,581	(2,129,838)	2,931,650
3,094,358	(3,467,390)	1,299,164	856,322	(7,716,150)	—	(1,181,027)
(3,426,586)	(3,508,718)	(3,660,559)	(3,856,789)	(4,286,231)	(4,431,874)	(4,673,610)
5,138,827	(1,146,005)	3,906,047	4,848,660	(4,056,689)	(284,686)	3,453,756
69,184,510	74,323,337	73,177,332	77,083,379	81,932,039	77,875,350	77,590,664
74,323,337	73,177,332	77,083,379	81,932,039	77,875,350	77,590,664	81,044,420
2,090,649	2,309,955	2,695,291	2,796,467	2,866,069	3,128,661	3,321,919
429,569	446,618	465,264	562,561	546,002	608,088	481,043
2,247,993	3,925,557	(1,247,471)	5,536,105	5,486,429	5,745,538	(5,461,227)
(3,426,586)	(3,508,718)	(3,660,559)	(3,856,789)	(4,286,231)	(4,431,874)	(4,673,610)
(38,664)	(39,863)	(42,905)	(63,298)	(39,103)	(50,408)	(44,441)
1,302,961	3,133,549	(1,790,380)	4,975,046	4,573,166	5,000,005	(6,376,316)
30,859,576	32,162,537	35,296,086	33,505,706	38,480,752	43,053,918	48,053,923
32,162,537	35,296,086	33,505,706	38,480,752	43,053,918	48,053,923	41,677,607
42,160,800	37,881,246	43,577,673	43,451,287	34,821,432	29,536,741	39,366,813
43.27%	48.23%	43.47%	46.97%	55.29%	61.93%	51.43%
4,363,550	4,516,274	4,574,078	4,806,496	4,957,898	5,459,135	4,854,117
966.20%	838.77%	952.71%	904.01%	702.34%	541.05%	811.00%

VILLAGE OF MORTON GROVE, ILLINOIS

Firefighter's Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2022

	12/31/14	12/31/15
Total Pension Liability		
Service Cost	\$ 1,067,954	1,356,812
Interest	3,811,312	3,181,468
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	(661,128)	928,412
Change of Assumptions	—	11,295,766
Benefit Payments, Including Refunds of Member Contributions	(2,406,899)	(2,530,110)
Net Change in Total Pension Liability	1,811,239	14,232,348
Total Pension Liability - Beginning	52,834,148	54,645,387
Total Pension Liability - Ending	54,645,387	68,877,735
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,914,705	1,949,493
Contributions - Members	376,279	387,408
Net Investment Income	1,695,835	363,152
Benefit Payments, Including Refunds of Member Contributions	(2,441,253)	(2,530,110)
Administrative Expenses	(42,228)	(60,860)
Net Change in Plan Fiduciary Net Position	1,503,338	109,083
Plan Net Position - Beginning	28,456,082	29,959,420
Plan Net Position - Ending	29,959,420	30,068,503
Employer's Net Pension Liability	\$ 24,685,967	38,809,232
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.83%	43.65%
Covered Payroll	\$ 3,707,686	4,101,744
Employer's Net Pension Liability as a Percentage of Covered Payroll	665.81%	946.16%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to mortality, retirement, disability, and termination rates tables and assumed salary increase rates were changes in 2015 through 2020 and 2022. Changes of assumptions related to the inflation rate were made in 2022.

12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22
1,330,866	1,408,988	1,269,097	1,181,800	1,150,422	1,086,620	1,046,176
3,963,235	4,297,744	4,498,745	4,722,128	4,967,267	4,929,221	5,138,339
—	—	—	249,141	—	—	—
1,812,111	45,639	594,173	(464,577)	225,642	(3,805,756)	2,822,579
1,479,863	(3,623,699)	(2,526,497)	(3,595,005)	—	—	268,456
(2,721,910)	(3,052,990)	(3,213,171)	(3,359,746)	(3,504,222)	(3,877,766)	(3,972,852)
5,864,165	(924,318)	622,347	(1,266,259)	2,839,109	(1,667,681)	5,302,698
68,877,735	74,741,900	73,817,582	74,439,929	73,173,670	76,012,779	74,345,098
74,741,900	73,817,582	74,439,929	73,173,670	76,012,779	74,345,098	79,647,796
2,165,900	2,291,587	2,660,276	2,770,449	2,856,837	2,945,324	3,547,972
384,004	381,401	398,444	407,251	412,917	408,782	402,233
2,091,840	4,195,751	(1,486,352)	6,182,115	5,927,901	4,786,877	(7,417,757)
(2,721,910)	(3,052,990)	(3,213,171)	(3,359,746)	(3,504,222)	(3,877,766)	(3,972,852)
(69,879)	(43,591)	(38,658)	(38,489)	(40,260)	(82,652)	(70,006)
1,849,955	3,772,158	(1,679,461)	5,961,580	5,653,173	4,180,565	(7,510,410)
30,068,503	31,918,458	35,690,616	34,011,155	39,972,735	45,625,908	49,806,473
31,918,458	35,690,616	34,011,155	39,972,735	45,625,908	49,806,473	42,296,063
42,823,442	38,126,966	40,428,774	33,200,935	30,386,871	24,538,625	37,351,733
42.70%	48.35%	45.69%	54.63%	60.02%	66.99%	53.10%
4,000,016	4,140,017	4,165,612	4,256,869	4,138,829	5,267,644	4,254,183
1070.58%	920.94%	970.54%	779.94%	734.19%	465.84%	878.00%

VILLAGE OF MORTON GROVE, ILLINOIS

Municipal Employees' Retirement Fund

Schedule of Investment Returns

December 31, 2022

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	2.80%
2015	2.89%
2016	2.82%
2017	2.55%
2018	2.09%
2019	2.21%
2020	2.21%
2021	1.85%
2022	N/A

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

N/A - Not available

VILLAGE OF MORTON GROVE, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

December 31, 2022

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	6.12%
2015	(0.46%)
2016	7.43%
2017	6.53%
2018	(3.58%)
2019	18.03%
2020	14.47%
2021	13.44%
2022	N/A

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

N/A - Not Available

VILLAGE OF MORTON GROVE, ILLINOIS

Firefighters' Pension Fund Schedule of Investment Returns December 31, 2022

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	6.00%
2015	1.21%
2016	6.87%
2017	13.10%
2018	(4.15%)
2019	18.03%
2020	14.74%
2021	10.50%
2022	N/A

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

N/A - Not Available

VILLAGE OF MORTON GROVE, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2022

	12/31/18	12/31/19	12/31/20	12/30/21	12/30/22
Total OPEB Liability					
Service Cost	\$ 464,133	416,857	521,557	465,141	479,095
Interest	645,426	726,622	586,296	340,632	331,505
Changes in Benefit Terms	—	—	—	—	—
Differences Between Expected and Actual Experience	—	—	(5,421,913)	—	(296,849)
Change of Assumptions or Other Inputs	(1,234,624)	3,516,883	(152,402)	(531,897)	(3,065,883)
Benefit Payments	(850,550)	(957,152)	(1,011,321)	(716,001)	(743,783)
Net Change in Total OPEB Liability	(975,615)	3,703,210	(5,477,783)	(442,125)	(3,295,915)
Total OPEB Liability - Beginning	19,175,730	18,200,115	21,903,325	16,425,542	15,983,417
Total OPEB Liability - Ending	18,200,115	21,903,325	16,425,542	15,983,417	12,687,502
Covered-Employee Payroll	\$ 14,073,710	16,538,783	17,034,946	17,054,019	14,098,339
Total OPEB Liability as a Percentage of Covered-Employee Payroll	129.32 %	132.44%	96.42%	93.72%	89.99%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2018 through 2022.

VILLAGE OF MORTON GROVE, ILLINOIS**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 17,130,328	17,130,328	18,336,598
Intergovernmental	9,409,500	9,409,500	12,550,112
Charges for Services	1,578,650	1,578,650	1,624,804
Licenses and Permits	2,201,500	2,201,500	1,896,292
Fines and Forfeitures	816,500	816,500	252,068
Investment Income	110,000	110,000	144,188
Miscellaneous	1,487,500	1,487,500	(100,547)
Total Revenues	32,733,978	32,733,978	34,703,515
Expenditures			
General Government	4,207,858	4,207,858	4,251,844
Public Safety	21,611,673	21,652,673	23,110,495
Streets and Sidewalks	3,230,102	3,265,102	3,332,421
Vehicle and Maintenance	948,010	948,010	921,143
Health and Human Services	75,084	75,084	26,201
Community Development	268,110	268,110	214,299
Building and Inspection Services	1,668,370	1,668,370	1,358,608
Total Expenditures	32,009,207	32,085,207	33,215,011
Excess (Deficiency) of Revenues Over (Under) Expenditures	724,771	648,771	1,488,504
Other Financing (Uses)			
Transfers Out	(724,750)	(724,750)	(724,750)
Net Change in Fund Balance	21	(75,979)	763,754
Fund Balance - Beginning			13,794,544
Fund Balance - Ending			14,558,298

VILLAGE OF MORTON GROVE, ILLINOIS

Lehigh/Ferris Tax Increment Financing - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Taxes			
Property Taxes	\$ 2,600,000	2,600,000	3,917,371
Investment Income	25,000	25,000	16,183
Miscellaneous	—	—	17,000
Total Revenues	2,625,000	2,625,000	3,950,554
Expenditures			
Community Development			
Contractual Services	288,810	288,810	215,516
Other	500	500	—
Capital Outlay	2,141,000	2,141,000	1,325,251
Debt Service			
Principal Retirement	690,000	690,000	690,000
Interest and Fiscal Charges	101,800	101,800	101,800
Total Expenditures	3,222,110	3,222,110	2,332,567
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(597,110)	(597,110)	1,617,987
Other Financing Sources (Uses)			
Disposal of Capital Assets	—	—	35,377
Transfers Out	—	—	(12,113,404)
	—	—	(12,078,027)
Net Change in Fund Balance	(597,110)	(597,110)	(10,460,040)
Fund Balance - Beginning			16,105,442
Fund Balance - Ending			5,645,402

VILLAGE OF MORTON GROVE, ILLINOIS

Sawmill Station Tax Increment Financing - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Taxes			
Property Taxes	\$ 130,000	130,000	2,500,861
Intergovernmental			
Sales Taxes	15,000	15,000	298,770
Investment Income	—	—	23,180
Total Revenues	145,000	145,000	2,822,811
Expenditures			
Community Development			
Contractual Services	100,000	1,800,000	14,212
Debt Service			
Principal Retirement	3,200,000	3,200,000	—
Interest and Fiscal Charges	—	—	895,150
Total Expenditures	3,300,000	5,000,000	909,362
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(3,155,000)	(4,855,000)	1,913,449
Other Financing Sources			
Debt Issuance	3,200,000	3,200,000	—
Transfers In	—	—	1,700,000
	3,200,000	3,200,000	1,700,000
Net Change in Fund Balance	45,000	(1,655,000)	3,613,449
Fund Balance - Beginning			1,938,449
Fund Balance - Ending			5,551,898

VILLAGE OF MORTON GROVE, ILLINOIS

Lincoln Lehigh Tax Increment Financing - Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Investment Income	\$ —	—	—
Expenditures			
Community Development			
Contractual Services	—	2,840,000	245,630
Excess (Deficiency) of Revenues Over (Under) Expenditures	—	(2,840,000)	(245,630)
Other Financing Sources			
Transfers In	—	—	10,413,404
Net Change in Fund Balance	—	(2,840,000)	10,167,774
Fund Balance - Beginning			—
Fund Balance - Ending			10,167,774

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Budgetary Comparison Schedule - Major Enterprise Fund
- Combining Statements - Nonmajor Enterprise Funds
- Budgetary Comparison Schedules - Nonmajor Enterprise Funds
- Combining Statements - Fiduciary Funds
- Budgetary Comparison Schedules - Fiduciary Funds

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Lehigh/Ferris Tax Increment Financing Fund

The Lehigh/Ferris Tax Increment Financing Fund is used to account for tax increment revenue and other financial resources received along with the costs related to the Village's Tax Increment Financing (TIF) District. The Fund entails the TIF District along Lehigh and Ferris Avenues. The TIF District is authorized by state law and is created to promote redevelopment of certain parcels declared as "blighted" into a higher and more productive land use.

Sawmill Station Tax Increment Financing Fund

The Sawmill Station Tax Increment Financing Fund is used to account for tax increment revenue and other financial resources received along with the costs related to the Village's Tax Increment Financing (TIF) District. The Fund entails the TIF District at Waukegan Road and Dempster. The TIF District is authorized by state law and is created to promote redevelopment of certain parcels declared as "blighted" into a higher and more productive land use.

Lincoln Lehigh Tax Increment Financing Fund

The Lincoln Lehigh Tax Increment Financing Fund is used to account for redevelopment of one of the oldest mixed use neighborhoods around the Morton Grove Metra Station that includes industrial area facing, increased obsolescence and vacancy.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for monies received from the state levied tax on the sale of fuels and the expenditures for capitalized construction, improvements or general maintenance to the Village roadway system.

Commuter Parking Facility Fund

The Commuter Parking Facility Fund is used to account for the cost of major improvements and general maintenance to the commuter parking facility on Lehigh Avenue. Revenues are primarily received from the daily parking fee imposed on the users of the facility.

INDIVIDUAL FUND DESCRIPTIONS - Continued

SPECIAL REVENUE FUNDS - CONTINUED

911 Emergency Telephone System Fund

The 911 Emergency Telephone System Fund is used to account for telephone surcharge fees collected for the 911 emergency telephone system. The funds are to be disbursed for the purchase and subsequent maintenance of that system.

Economic Development Fund

The Economic Development Fund is used to account for the expenditures related to promoting economic development throughout the Village. The Fund also accounts for non-TIF redevelopment costs including those that support an existing TIF but whose redevelopment is not directly within a TIF established district.

Fire Alarm Fund

The Fire Alarm Fund is used to account for expenditures related to fire alarm costs for the Regional Emergency Dispatch Center. The funds are to be disbursed for the purchase and subsequent maintenance of fire alarms.

Seizure Fund

The Seizure Fund is used to account for expenditures related to public safety. Revenues are primarily received from the seizure of assets within the Village limits.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

INDIVIDUAL FUND DESCRIPTIONS - Continued

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been 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 purpose.

Water and Sewer Fund

The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing and billing, and collection.

Solid Waste Fund

The Solid Waste Fund is used to account for the operations of the Village waste collection services. All activities unnecessary to provide such services mainly involve the collection and disposition of waste and recyclable items.

Municipal Parking Fund

The Municipal Parking Fund is used to account for the operation of the Village parking lots and monies received from permit sales. All activities necessary to provide such services are accounted for in this fund, including but not limited to operations, maintenance and improvements.

Morton Grove Days Fund

The Morton Grove Days Fund is used to account for the operation of the Village annual festival held over the Fourth of July.

PENSION TRUST FUNDS

Municipal Employees' Retirement Fund

The Municipal Employees' Retirement Fund is used to account for the accumulation of resources to be used for retirement and disability pensions for the Village's municipal employees.

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

INDIVIDUAL FUND DESCRIPTIONS - Continued

PENSION TRUST FUNDS - CONTINUED

Firefighter's Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

VILLAGE OF MORTON GROVE, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual****For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Taxes			
Property Taxes	\$ 10,208,328	10,208,328	10,579,864
Telecommunications Tax	400,000	400,000	371,559
Home Rule Sales Tax	2,600,000	2,600,000	3,128,814
Utility Taxes	1,600,000	1,600,000	1,562,260
Other Taxes	2,322,000	2,322,000	2,694,101
	17,130,328	17,130,328	18,336,598
Intergovernmental			
Personal Property Replacement Tax	350,000	350,000	1,385,371
Sales Tax	4,800,000	4,800,000	5,547,200
State Income Tax	2,600,000	2,600,000	4,122,078
Local Use Tax	800,000	800,000	1,025,240
Grants	859,500	859,500	470,223
	9,409,500	9,409,500	12,550,112
Charges for Services			
Cable Franchise Fee	355,000	355,000	332,303
Miscellaneous	1,223,650	1,223,650	1,292,501
	1,578,650	1,578,650	1,624,804
Licenses and Permits	2,201,500	2,201,500	1,896,292
Fines and Forfeitures	816,500	816,500	252,068
Investment Income	110,000	110,000	144,188
Miscellaneous	1,487,500	1,487,500	(100,547)
Total Revenues	32,733,978	32,733,978	34,703,515

VILLAGE OF MORTON GROVE, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual****For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government			
Legislative			
Personnel Services	\$ 63,300	63,300	49,744
Contractual Services	55,950	55,950	44,714
Commodities	2,500	2,500	317
	121,750	121,750	94,775
Administration			
Building & Property Maintenance	619,069	619,069	510,977
Contractual Services	49,975	49,975	40,200
Commodities	3,000	3,000	3,217
	672,044	672,044	554,394
Finance			
Personnel Services	595,245	595,245	724,918
Contractual Services	1,815,075	1,815,075	1,833,341
Commodities	8,500	8,500	16,025
Less Administrative Fees			
Water and Sewer Fund	(246,285)	(246,285)	(246,285)
	2,172,535	2,172,535	2,327,999
Management and Information Services			
Personnel Services	237,151	237,151	245,670
Contractual Services	429,996	429,996	416,705
Commodities	1,340	1,340	711
Capital Outlay	49,500	49,500	49,939
	717,987	717,987	713,025
Legal			
Personnel Services	156,077	156,077	152,237
Contractual Services	215,900	215,900	151,831
	371,977	371,977	304,068
Other Expenditures			
Other	151,565	151,565	257,583
Total General Government	4,207,858	4,207,858	4,251,844

VILLAGE OF MORTON GROVE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual
	Original	Final	Amounts
Public Safety			
Police			
Personnel Services	\$ 7,292,107	7,292,107	7,675,086
Contractual Services	4,353,724	4,353,724	4,207,476
Commodities	134,775	134,775	81,293
Capital Outlay	273,265	273,265	149,124
	12,053,871	12,053,871	12,112,979
Fire			
Personnel Services	5,793,883	5,793,883	6,799,500
Contractual Services	3,542,479	3,542,479	3,985,663
Commodities	215,725	215,725	206,901
Capital Outlay	—	41,000	3,392
	9,552,087	9,593,087	10,995,456
Civil Preparedness			
Contractual Services	4,715	4,715	2,060
Commodities	1,000	1,000	—
	5,715	5,715	2,060
Total Public Safety	21,611,673	21,652,673	23,110,495
Streets and Sidewalks			
Streets and Sidewalks			
Personnel Services	1,864,053	1,864,053	1,994,399
Contractual Services	802,750	837,750	816,180
Commodities	208,400	208,400	190,862
Capital Outlay	263,000	263,000	268,957
Less Administrative Fees			
Motor Fuel Tax Fund	(341,000)	(341,000)	(341,000)
	2,797,203	2,832,203	2,929,398
Engineering			
Personnel Services	408,949	408,949	396,584
Contractual Services	20,700	20,700	4,706
Commodities	3,250	3,250	1,733
	432,899	432,899	403,023
Total Streets and Sidewalks	3,230,102	3,265,102	3,332,421

VILLAGE OF MORTON GROVE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual
	Original	Final	Amounts
Vehicle and Maintenance			
Personnel Services	\$ 454,542	454,542	465,689
Contractual Services	101,000	101,000	51,858
Commodities	392,468	392,468	403,596
Total Vehicle and Maintenance	948,010	948,010	921,143
Health and Human Services			
Personnel Services	28,024	28,024	—
Contractual Services	46,060	46,060	26,201
Commodities	1,000	1,000	—
Total Health and Human Services	75,084	75,084	26,201
Community Development			
Personnel Services	234,460	234,460	201,961
Contractual Services	31,650	31,650	11,976
Commodities	2,000	2,000	362
Total Community Development	268,110	268,110	214,299
Building and Inspection Services			
Building and Inspection Services			
Personnel Services	332,952	332,952	331,906
Contractual Services	533,100	533,100	278,907
Commodities	2,400	2,400	2,752
	868,452	868,452	613,565
Municipal Buildings			
Personnel Services	195,700	195,700	196,015
Contractual Services	273,531	273,531	237,546
Commodities	22,187	22,187	22,292
Capital Outlay	308,500	308,500	289,190
	799,918	799,918	745,043
Total Building and Inspection Services	1,668,370	1,668,370	1,358,608
Total Expenditures	32,009,207	32,085,207	33,215,011

VILLAGE OF MORTON GROVE, ILLINOIS**Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,014,305	1,014,305	890,032
Intergovernmental			
Sales Taxes	150,000	150,000	211,664
Investment Income	5,000	5,000	13,956
Total Revenues	1,169,305	1,169,305	1,115,652
Expenditures			
Debt Service			
Principal Retirement	1,413,200	1,413,200	1,413,200
Interest and Fiscal Charges	166,599	166,599	164,238
Total Expenditures	1,579,799	1,579,799	1,577,438
Excess (Deficiency) of Revenues Over (Under) Expenditures	(410,494)	(410,494)	(461,786)
Other Financing Sources			
Transfers In	724,750	724,750	724,750
Net Change in Fund Balance	314,256	314,256	262,964
Fund Balance - Beginning			(388,243)
Fund Balance - Ending			(125,279)

VILLAGE OF MORTON GROVE, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental			
Personal Property Replacement Taxes	\$ 34,100	34,100	140,265
Sales Taxes	25,000	25,000	35,277
Investment Income	603,500	603,500	100,372
Total Revenues	662,600	662,600	275,914
Expenditures			
Capital Outlay			
Capital Projects			
Street Improvements	1,520,000	1,520,000	98,087
Net Change in Fund Balance	(857,400)	(857,400)	177,827
Fund Balance - Beginning			1,380,428
Fund Balance - Ending			1,558,255

VILLAGE OF MORTON GROVE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

December 31, 2022

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

December 31, 2022

	Motor Fuel Tax	Commuter Parking Facility
ASSETS		
Cash and Investments	\$ 3,052,914	173,210
Receivables - Net of Allowances		
Other Taxes	98,733	—
Due from Other Funds	—	—
Total Assets	<u>3,151,647</u>	<u>173,210</u>
LIABILITIES		
Accounts Payable	580,078	152
Due to Other Funds	—	—
Total Liabilities	<u>580,078</u>	<u>152</u>
FUND BALANCES		
Restricted	2,571,569	173,058
Unassigned	—	—
Total Fund Balances	<u>2,571,569</u>	<u>173,058</u>
Total Liabilities and Fund Balances	<u>3,151,647</u>	<u>173,210</u>

911 Emergency Telephone System	Economic Development	Fire Alarm	Seizure	Totals
625,344	—	389,798	704,320	4,945,586
—	324,260	—	—	422,993
—	—	—	7,370	7,370
625,344	324,260	389,798	711,690	5,375,949
180	—	5,440	—	585,850
—	545,277	—	—	545,277
180	545,277	5,440	—	1,131,127
625,164	—	384,358	711,690	4,465,839
—	(221,017)	—	—	(221,017)
625,164	(221,017)	384,358	711,690	4,244,822
625,344	324,260	389,798	711,690	5,375,949

VILLAGE OF MORTON GROVE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 2022

	Motor Fuel Tax	Commuter Parking Facility
Revenues		
Intergovernmental	\$ 1,476,937	—
Charges for Services	—	218,389
Investment Income	9,774	—
Total Revenues	1,486,711	218,389
Expenditures		
Public Safety	—	—
Streets and Sidewalks	1,097,043	22,604
Community Development	—	—
Total Expenditures	1,097,043	22,604
Net Change in Fund Balances	389,668	195,785
Fund Balances - Beginning	2,181,901	(22,727)
Fund Balances - Ending	2,571,569	173,058

911 Emergency Telephone System	Economic Development	Fire Alarm	Seizure	Totals
—	1,280,425	—	9,238	2,766,600
470,011	—	218,079	—	906,479
—	44,095	2	1,652	55,523
470,011	1,324,520	218,081	10,890	3,728,602
420,000	—	251,709	37,651	709,360
—	—	—	—	1,119,647
—	839,849	—	—	839,849
420,000	839,849	251,709	37,651	2,668,856
50,011	484,671	(33,628)	(26,761)	1,059,746
575,153	(705,688)	417,986	738,451	3,185,076
625,164	(221,017)	384,358	711,690	4,244,822

VILLAGE OF MORTON GROVE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Taxes	\$ 1,450,000	1,450,000	1,476,937
Investment Income	10,000	10,000	9,774
Total Revenues	1,460,000	1,460,000	1,486,711
Expenditures			
Streets and Sidewalks			
Contractual Services	98,000	98,000	43,210
Commodities	2,520,000	2,520,000	712,833
Administrative Fees			
General Fund	341,000	341,000	341,000
Total Expenditures	2,959,000	2,959,000	1,097,043
Net Change in Fund Balance	(1,499,000)	(1,499,000)	389,668
Fund Balance - Beginning			2,181,901
Net Position - Ending			2,571,569

VILLAGE OF MORTON GROVE, ILLINOIS

Commuter Parking Facility - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Charges for Services			
Parking Fees	\$ 69,300	69,300	218,389
Expenses			
Streets and Sidewalks			
Contractual Services	29,300	29,300	22,604
Commodities	6,000	6,000	—
Total Expenditures	35,300	35,300	22,604
Net Change in Fund Balance	34,000	34,000	195,785
Fund Balance - Beginning			(22,727)
Fund Balance - Ending			173,058

VILLAGE OF MORTON GROVE, ILLINOIS

911 Emergency Telephone System - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Charges for Services			
Telecommunications Surcharges	\$ 420,000	420,000	470,011
Expenditures			
Public Safety			
Contractual Services	420,000	420,000	420,000
Net Change in Fund Balance	—	—	50,011
Fund Balance - Beginning			575,153
Fund Balance - Ending			625,164

VILLAGE OF MORTON GROVE, ILLINOIS

Economic Development - Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental			
Sales Taxes	\$ 840,000	840,000	1,280,425
Investment Income	25,000	25,000	44,095
Total Revenues	865,000	865,000	1,324,520
Expenditures			
Community Development			
Contractual Services	1,133,383	1,133,383	839,849
Net Change in Fund Balance	(268,383)	(268,383)	484,671
Fund Balance - Beginning			(705,688)
Fund Balance - Ending			(221,017)

VILLAGE OF MORTON GROVE, ILLINOIS**Fire Alarm - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Net Position - Budget and Actual****For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Charges for Services	\$ 200,000	200,000	218,079
Investment Income	100	100	2
Total Revenues	200,100	200,100	218,081
Expenditures			
Public Safety			
Personnel Services	37,700	37,700	3,668
Contractual Services	220,400	220,400	178,130
Commodities	65,500	65,500	44,911
Administrative Fees			
General Fund	25,000	25,000	25,000
Total Expenditures	348,600	348,600	251,709
Net Change in Fund Balance	(148,500)	(148,500)	(33,628)
Fund Balance - Beginning			417,986
Fund Balance - Ending			384,358

VILLAGE OF MORTON GROVE, ILLINOIS

Seizure - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental	\$ 65,000	65,000	9,238
Investment Income	500	500	1,652
Total Revenues	65,500	65,500	10,890
Expenditures			
Public Safety			
Contractual Services	326,000	326,000	37,651
Net Change in Fund Balance	(260,500)	(260,500)	(26,761)
Fund Balance - Beginning			738,451
Fund Balance - Ending			711,690

VILLAGE OF MORTON GROVE, ILLINOIS

Water and Sewer - Enterprise Fund

Scheduling of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual
	Original	Final	Amounts
Operating Revenue			
Charges for Services			
Water Sales	\$ 7,300,000	7,300,000	7,124,079
Sewer Charges	785,250	785,250	749,533
Miscellaneous	1,815,500	1,815,500	64,139
Total Operating Revenues	9,900,750	9,900,750	7,937,751
Operating Expenses			
Operations			
Personnel Services	2,056,472	2,056,472	2,744,287
Contractual Services	3,022,584	3,022,584	1,530,956
Capital Outlay	3,220,000	3,220,000	97,220
Water Purchases	3,510,000	3,510,000	3,848,305
Commodities	673,130	673,130	643,886
Administrative Fees	153,000	153,000	246,285
Other	5,000	5,000	—
Depreciation and Amortization	350,000	350,000	529,935
Total Operating Expenses	12,990,186	12,990,186	9,640,874
Operating (Loss)	(3,089,436)	(3,089,436)	(1,703,123)
Nonoperating Revenues (Expenses)			
Connection Fees	20,000	20,000	21,311
Investment Income	190,000	190,000	(5,562)
Other Income	180,000	180,000	424,452
Principal Retirement	(206,800)	(206,800)	—
Interest Expense	(83,364)	(83,364)	(82,536)
	99,836	99,836	357,665
Change in Net Position	(2,989,600)	(2,989,600)	(1,345,458)
Net Position - Beginning as Restated			2,909,114
Net Position - Ending			1,563,656

VILLAGE OF MORTON GROVE, ILLINOIS**Nonmajor Enterprise Funds****Statement of Net Position - Proprietary Funds****December 31, 2022**

	Solid Waste	Municipal Parking	Morton Grove Days	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ 1,510,812	428,420	—	1,939,232
Receivables - Net of Allowances				
Accounts	48,975	375	1,725	51,075
Prepays	32,303	—	—	32,303
Total Assets	1,592,090	428,795	1,725	2,022,610
LIABILITIES				
Current Liabilities				
Accounts Payable	135,122	—	—	135,122
Other Liabilities	—	34,942	—	34,942
Due to Other Funds	—	—	102,386	102,386
Total Liabilities	135,122	34,942	102,386	272,450
NET POSITION				
Unrestricted (Deficit)	1,456,968	393,853	(100,661)	1,750,160

VILLAGE OF MORTON GROVE, ILLINOIS**Nonmajor Enterprise Funds****Combining Statement of Revenues, Expenses and Changes in Net Position****For the Fiscal Year Ended December 31, 2022**

	Solid Waste	Municipal Parking	Morton Grove Days	Totals
Operating Revenues				
Charges for Services	\$ 2,071,696	1,725	97,568	2,170,989
Operating Expenses				
Operations	1,802,799	(157)	137,443	1,940,085
Operating Income (Loss)	268,897	1,882	(39,875)	230,904
Nonoperating Revenues (Expenses)				
Investment Income (Loss)	855	(1)	—	854
Change in Net Position	269,752	1,881	(39,875)	231,758
Net Position - Beginning	1,187,216	391,972	(60,786)	1,518,402
Net Position - Ending	1,456,968	393,853	(100,661)	1,750,160

VILLAGE OF MORTON GROVE, ILLINOIS

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2022

	Solid Waste	Municipal Parking	Morton Grove Days	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,089,607	1,350	97,568	2,188,525
Payments to Suppliers	(1,832,100)	(65)	(153,185)	(1,985,350)
	257,507	1,285	(55,617)	203,175
Cash Flows from Noncapital Financing				
Interfund Loans	—	—	55,617	55,617
Cash Flows from Investing Activities				
Investment Income	855	(1)	—	854
Net Change in Cash and Cash Equivalents	258,362	1,284	—	259,646
Cash and Cash Equivalents - Beginning	1,252,450	427,136	—	1,679,586
Cash and Cash Equivalents - Ending	1,510,812	428,420	—	1,939,232
Reconciliation of Operating Loss to Net Provided (Used) by Operating Activities				
Operating Income (Loss)	268,897	1,882	(39,875)	230,904
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities				
(Increase) Decrease in Assets	17,911	(375)	—	17,536
Increase (Decrease) in Liabilities	(29,301)	(222)	(15,742)	(45,265)
Net Cash Provided (Used) by Operating Activities	257,507	1,285	(55,617)	203,175

VILLAGE OF MORTON GROVE, ILLINOIS**Solid Waste - Enterprise Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual****For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services			
Waste	\$ 2,075,252	2,075,252	2,071,696
Operating Expenses			
Operations			
Contractual Services	1,701,332	1,701,332	1,648,632
Administrative Fees	365,000	365,000	154,167
Total Operating Expenses	2,066,332	2,066,332	1,802,799
Operating Income	8,920	8,920	268,897
Nonoperating Revenues			
Investment Income	250	250	855
Change in Net Position	9,170	9,170	269,752
Net Position - Beginning			1,187,216
Net Position - Ending			1,456,968

VILLAGE OF MORTON GROVE, ILLINOIS**Municipal Parking - Enterprise Fund****Scheduling of Revenues, Expenses and Changes in Net Position - Budget and Actual****For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services			
Parking	\$ 15,000	15,000	1,725
Operating Expenses			
Operations			
Contractual Services	4,800	4,800	(157)
Commodities	1,100	1,100	—
Total Operating Expenses	5,900	5,900	(157)
Operating Income	9,100	9,100	1,882
Nonoperating Revenues (Expenses)			
Investment Income	100	100	(1)
Change in Net Position	9,200	9,200	1,881
Net Position - Beginning			391,972
Net Position - Ending			393,853

VILLAGE OF MORTON GROVE, ILLINOIS

Morton Grove Days - Enterprise Fund

Scheduling of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services			
Morton Grove Days	\$ 145,000	145,000	97,568
Operating Expenses			
Operations			
Contractual Services	120,000	120,000	85,515
Commodities	25,000	25,000	51,928
Total Operating Expenses	145,000	145,000	137,443
Change in Net Position	—	—	(39,875)
Net Position - Beginning			(60,786)
Net Position - Ending			(100,661)

VILLAGE OF MORTON GROVE, ILLINOIS**Pension Trust Funds****Combining Statement of Fiduciary Net Position****December 31, 2022**

	Municipal Employees' Retirement	Police Pension	Firefighters' Pension	Totals
ASSETS				
Cash and Cash Equivalents	\$ —	254,008	10,086	264,094
Investments				
Illinois Police Pension Investment Fund	—	38,622,772	—	38,622,772
Illinois Firefighters' Pension Investment Fund	—	—	40,729,032	40,729,032
Annuity Contracts	10,516,003	—	—	10,516,003
Money Market Mutual Funds	—	2,103,851	806,993	2,910,844
Receivables				
Accounts	1,871	—	—	1,871
Accrued Interest	—	937	—	937
Due From Municipality	—	693,790	746,285	1,440,075
Prepays	—	4,304	5,767	10,071
Total Assets	10,517,874	41,679,662	42,298,163	94,495,699
LIABILITIES				
Accounts Payable	—	2,055	2,100	4,155
NET POSITION				
Net Position Restricted for Pensions	10,517,874	41,677,607	42,296,063	94,491,544

VILLAGE OF MORTON GROVE, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended December 31, 2022

	Municipal Employees' Retirement	Police Pension	Firefighters' Pension	Totals
Additions				
Contributions - Employer	\$ 1,218,384	3,321,919	3,547,972	8,088,275
Contributions - Plan Members	198,990	481,043	402,233	1,082,266
Total Contributions	1,417,374	3,802,962	3,950,205	9,170,541
Investment Income				
Interest Earned	183,484	485,411	263,417	932,312
Net Change in Fair Value	—	(5,901,850)	(7,652,425)	(13,554,275)
	183,484	(5,416,439)	(7,389,008)	(12,621,963)
Less Investment Expenses	(21,207)	(44,788)	(28,749)	(94,744)
Net Investment Income	162,277	(5,461,227)	(7,417,757)	(12,716,707)
Total Additions	1,579,651	(1,658,265)	(3,467,552)	(3,546,166)
Deductions				
Administration	—	44,441	70,006	114,447
Benefits and Refunds	1,092,560	4,673,610	3,972,852	9,739,022
Total Deductions	1,092,560	4,718,051	4,042,858	9,853,469
Change in Fiduciary Net Position	487,091	(6,376,316)	(7,510,410)	(13,399,635)
Net Position Restricted for Pensions				
Beginning	10,030,783	48,053,923	49,806,473	107,891,179
Ending	10,517,874	41,677,607	42,296,063	94,491,544

VILLAGE OF MORTON GROVE, ILLINOIS

Municipal Employees' Retirement - Pension Trust Fund

Schedule of Changes in the Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual
	Original	Final	Amounts
Additions			
Contributions - Employer	\$ 1,140,546	1,140,546	1,218,384
Contributions - Plan Members	204,700	204,700	198,990
Total Contributions	1,345,246	1,345,246	1,417,374
Investment Income			
Interest Earned	250,000	250,000	183,484
Net Change in Fair Value	—	—	—
	250,000	250,000	183,484
Less Investment Expenses	(23,000)	(23,000)	(21,207)
Net Investment Income	227,000	227,000	162,277
Total Additions	1,572,246	1,572,246	1,579,651
Deductions			
Administration	3,000	3,000	—
Benefits and Refunds	1,300,000	1,300,000	1,092,560
Total Deductions	1,303,000	1,303,000	1,092,560
Change in Fiduciary Net Position	269,246	269,246	487,091
Net Position Restricted for Pensions			
Beginning			10,030,783
Ending			10,517,874

VILLAGE OF MORTON GROVE, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in the Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual
	Original	Final	Amounts
Additions			
Contributions - Employer	\$ 3,417,798	3,417,798	3,321,919
Contributions - Plan Members	620,000	620,000	481,043
Total Contributions	4,037,798	4,037,798	3,802,962
Investment Income			
Interest Earned	300,000	300,000	485,411
Net Change in Fair Value	1,620,000	1,620,000	(5,901,850)
	1,920,000	1,920,000	(5,416,439)
Less Investment Expenses	(65,000)	(65,000)	(44,788)
Net Investment Income	1,855,000	1,855,000	(5,461,227)
Total Additions	5,892,798	5,892,798	(1,658,265)
Deductions			
Administration	56,100	56,100	44,441
Benefits and Refunds	4,560,000	4,560,000	4,673,610
Total Deductions	4,616,100	4,616,100	4,718,051
Change in Fiduciary Net Position	1,276,698	1,276,698	(6,376,316)
Net Position Restricted for Pensions			
Beginning			48,053,923
Ending			41,677,607

VILLAGE OF MORTON GROVE, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in the Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Additions			
Contributions - Employer	\$ 3,179,524	3,179,524	3,547,972
Contributions - Plan Members	400,000	400,000	402,233
Total Contributions	3,579,524	3,579,524	3,950,205
Investment Income			
Interest Earned	400,000	400,000	263,417
Net Change in Fair Value	1,100,000	1,100,000	(7,652,425)
	1,500,000	1,500,000	(7,389,008)
Less Investment Expenses	(95,000)	(95,000)	(28,749)
Net Investment Income	1,405,000	1,405,000	(7,417,757)
Total Additions	4,984,524	4,984,524	(3,467,552)
Deductions			
Administration	63,500	63,500	70,006
Benefits and Refunds	4,098,700	4,098,700	3,972,852
Total Deductions	4,162,200	4,162,200	4,042,858
Change in Fiduciary Net Position	822,324	822,324	(7,510,410)
Net Position Restricted for Pensions			
Beginning			49,806,473
Ending			42,296,063

SUPPLEMENTAL SCHEDULES

VILLAGE OF MORTON GROVE, ILLINOIS

Long-Term Debt Requirements General Obligation Bond of 2015 December 31, 2022

Date of Issue	March 18, 2015
Date of Maturity	December 15, 2024
Authorized Issue	\$10,010,000
Interest Rate	4.00%
Interest Dates	June 15 and December 15
Payable at	December 15
Loan Number	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2023	\$ 730,000	67,300	797,300
2024	770,000	30,800	800,800
	1,500,000	98,100	1,598,100

VILLAGE OF MORTON GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bond of 2019

December 31, 2022

Date of Issue	October 25, 2019
Date of Maturity	December 15, 2029
Authorized Issue	\$5,455,000
Interest Rates	2.00% - 5.00%
Interest Dates	June 15 and December 15
Payable at	December 15
Loan Number	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2023	\$ 495,000	165,963	660,963
2024	520,000	141,213	661,213
2025	545,000	115,213	660,213
2026	570,000	87,962	657,962
2027	595,000	59,462	654,462
2028	710,000	29,712	739,712
2029	730,000	15,512	745,512
	4,165,000	615,037	4,780,037

2,332,400 Debt Service Fund

1,832,600 Water and Sewer Fund

4,165,000

VILLAGE OF MORTON GROVE, ILLINOIS

Long-Term Debt Requirements

Senior Lien Tax Increment Revenue Bond of 2019

December 31, 2022

Date of Issue	October 3, 2019
Date of Maturity	January 1, 2039
Authorized Issue	\$18,635,000
Interest Rates	4.25% - 5.00%
Interest Dates	July 1 and January 1
Payable at	January 1
Loan Number	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2023	\$ 495,000	884,631	1,379,631
2024	610,000	861,150	1,471,150
2025	640,000	834,588	1,474,588
2026	675,000	806,644	1,481,644
2027	780,000	775,725	1,555,725
2028	820,000	741,725	1,561,725
2029	860,000	706,025	1,566,025
2030	980,000	663,250	1,643,250
2031	1,035,000	612,875	1,647,875
2032	1,095,000	559,625	1,654,625
2033	1,235,000	501,375	1,736,375
2034	1,300,000	438,000	1,738,000
2035	1,375,000	371,125	1,746,125
2036	1,530,000	298,500	1,828,500
2037	1,615,000	219,875	1,834,875
2038	1,705,000	136,875	1,841,875
2039	1,885,000	47,125	1,932,125
	18,635,000	9,459,113	28,094,113

STATISTICAL SECTION (Unaudited)

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

VILLAGE OF MORTON GROVE, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*

December 31, 2022 (Unaudited)

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS

Net Position by Component - Last Ten Fiscal Years December 31, 2022 (Unaudited)

	2013	2014	2015
Governmental Activities			
Net Investment in Capital Assets	\$ 45,225,759	44,444,400	44,953,060
Restricted	14,644,385	15,893,795	17,293,933
Unrestricted	(23,595,025)	(23,603,372)	(71,822,364)
Total Governmental Activities Net Position	36,275,119	36,734,823	(9,575,371)
Business-Type Activities			
Net Investment in Capital Assets	4,945,237	5,875,794	5,778,164
Unrestricted	2,835,446	3,765,559	1,925,554
Total Business-Type Activities Net Position	7,780,683	9,641,353	7,703,718
Primary Government			
Net Investment in Capital Assets	50,170,996	50,320,194	50,731,224
Restricted	14,644,385	15,893,795	17,293,933
Unrestricted	(20,759,579)	(19,837,813)	(69,896,810)
Total Primary Government Net Position	44,055,802	46,376,176	(1,871,653)

* Accrual Basis of Accounting

Note: The Village implemented GAB Statement No. 68 in 2015.

Data Source: Audited Financial Statements

2016	2017	2018	2019	2020	2021	2022
39,217,439	42,544,431	42,539,916	44,113,319	45,731,628	48,274,626	50,852,664
19,744,965	15,640,410	15,740,469	28,358,753	23,426,347	23,356,381	27,291,129
(75,847,646)	(79,477,082)	(93,830,870)	(118,642,317)	(115,022,278)	(113,237,646)	(100,326,966)
(16,885,242)	(21,292,241)	(35,550,485)	(46,170,245)	(45,864,303)	(41,606,639)	(22,183,173)
5,960,197	6,556,655	6,807,293	7,095,776	7,393,385	8,068,151	8,773,885
1,182,811	1,776,058	387,530	(2,439,634)	(1,538,973)	(3,684,680)	(5,460,069)
7,143,008	8,332,713	7,194,823	4,656,142	5,854,412	4,383,471	3,313,816
45,177,636	49,101,086	49,347,209	51,209,095	53,125,013	56,342,777	59,626,549
19,744,965	15,640,410	15,740,469	28,358,753	23,426,347	23,356,381	27,291,129
(74,664,835)	(77,701,024)	(93,443,340)	(121,081,951)	(116,561,251)	(116,922,326)	(105,787,035)
(9,742,234)	(12,959,528)	(28,355,662)	(41,514,103)	(40,009,891)	(37,223,168)	(18,869,357)

VILLAGE OF MORTON GROVE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* December 31, 2022 (Unaudited)

	2013	2014	2015
Expenses			
Governmental Activities			
General Government	\$ 3,826,691	3,749,953	5,122,457
Public Safety	18,773,860	19,225,281	25,760,081
Streets and Highways	5,823,268	4,043,649	7,364,136
Vehicle Maintenance	846,686	793,103	701,174
Health and Human Services	270,450	282,897	220,531
Community Development	467,393	980,882	1,118,066
Building and Inspection Services	845,669	794,883	714,270
Interest on Long-Term Debt	805,158	781,321	943,022
Total Governmental Activities Expenses	31,659,175	30,651,969	41,943,737
Business-Type Activities			
Waterworks and Sewerage	6,770,519	7,356,131	10,269,076
Solid Waste	1,869,140	1,857,923	1,869,199
Municipal Parking	11,721	11,380	11,348
Morton Grove Days	—	—	—
Total Business-Type Activities Expenses	8,651,380	9,225,434	12,149,623
Total Primary Government Expenses	40,310,555	39,877,403	54,093,360
Program Revenues			
Governmental Activities			
Charges for Services			
General Government	3,120,247	3,426,448	3,273,344
Public Safety	905,530	961,296	1,087,239
Other Activities	8,306	2,403	8,102
Operating Grants/Contributions	758,925	829,051	1,077,504
Capital Grants/Contributions	462,298	158,042	141,474
Total Governmental Activities Program Revenues	5,255,306	5,377,240	5,587,663
Business-Type Activities			
Charges for Services			
Waterworks and Sewerage	7,857,661	8,678,471	8,691,690
Solid Waste	1,956,253	1,983,404	2,014,617
Municipal Parking	54,091	59,633	57,935
Morton Grove Days	—	—	—
Capital Grants/Contributions	59,024	59,473	59,601
Total Business-Type Activities Program Revenues	9,927,029	10,780,981	10,823,843
Total Primary Government Program Revenues	15,182,335	16,158,221	16,411,506

2016	2017	2018	2019	2020	2021	2022
4,952,670	5,117,197	4,099,466	5,211,634	3,008,128	10,215,501	183,312
26,283,790	24,371,736	20,851,590	26,095,188	20,431,755	18,888,660	20,890,721
6,569,693	5,889,348	8,753,053	3,413,255	4,085,760	4,163,917	1,545,554
687,317	662,341	696,662	852,620	742,774	928,257	921,143
16,446	9,059	27,957	50,378	11,448	13,876	26,201
688,354	1,594,966	3,069,076	9,496,350	8,126,273	1,326,585	1,529,506
896,333	1,042,263	960,551	1,553,521	814,303	1,198,685	1,125,225
642,697	584,476	418,766	645,445	433,278	1,056,003	951,920
40,737,300	39,271,386	38,877,121	47,318,391	37,653,719	37,791,484	27,173,582
9,499,761	8,168,387	8,477,929	10,788,627	7,276,909	9,891,226	9,723,410
1,788,287	1,835,572	1,868,109	2,100,530	1,814,565	1,924,023	1,802,799
12,585	11,158	10,769	10,425	62	(301)	(157)
—	150,433	148,263	141,306	36,143	76,742	137,443
11,300,633	10,165,550	10,505,070	13,040,888	9,127,679	11,891,690	11,663,495
52,037,933	49,436,936	49,382,191	60,359,279	46,781,398	49,683,174	38,837,077
2,864,038	2,989,856	3,142,468	3,371,359	3,724,176	3,268,836	3,521,096
1,118,677	1,127,232	1,547,758	1,397,898	1,178,635	1,275,917	949,396
176,970	122,461	120,190	109,215	25,430	14,797	218,389
606,115	611,558	602,421	763,393	1,358,021	1,422,960	1,496,384
63,670	206,238	84,693	173,464	543,737	1,744,786	138,276
4,829,470	5,057,345	5,497,530	5,815,329	6,829,999	7,727,296	6,323,541
8,441,426	8,485,210	8,247,849	7,998,846	8,026,231	8,110,402	7,959,062
1,985,744	2,042,578	2,001,847	2,071,104	2,087,825	2,022,217	2,071,696
58,507	49,120	61,025	55,184	11,426	5,625	1,725
—	195,763	137,846	123,446	—	35,046	97,568
59,112	58,543	53,419	—	—	—	—
10,544,789	10,831,214	10,501,986	10,248,580	10,125,482	10,173,290	10,130,051
15,374,259	15,888,559	15,999,516	16,063,909	16,955,481	17,900,586	16,453,592

VILLAGE OF MORTON GROVE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* - Continued December 31, 2022 (Unaudited)

	2013	2014	2015
Net (Expenses) Revenues			
Governmental Activities	(26,403,869)	(25,274,729)	(36,356,074)
Business-Type Activities	1,275,649	1,555,547	(1,325,780)
Total Primary Government Net (Expenses) Revenues	(25,128,220)	(23,719,182)	(37,681,854)
General Revenues and Other Changes in Net Position			
Governmental Activities			
Taxes			
Property	12,559,743	12,444,336	12,861,602
Sales	6,277,412	6,413,855	6,801,069
Utility	1,166,101	1,228,883	1,272,845
Other	2,287,247	2,186,679	2,659,951
Intergovernmental - Unrestricted			
Personal Property Replacement	387,116	398,843	405,808
Income Taxes	2,217,174	2,227,959	2,476,003
Local Use	400,868	454,615	517,569
Investment Income	12,248	15,843	17,912
Miscellaneous	414,059	363,420	236,286
Total Governmental Activities General Revenues	25,721,968	25,734,433	27,249,045
Business-Type Activities			
Investment Income	2,665	2,966	2,322
Miscellaneous	300,864	284,657	315,446
Gain on Disposal of Capital Assets	49,000	17,500	6,300
Total Business-Type Activities General Revenues	352,529	305,123	324,068
Total Primary Government General Revenues	26,074,497	26,039,556	27,573,113
Changes in Net Position			
Governmental Activities	(681,901)	459,704	(9,107,029)
Business-Type Activities	1,628,178	1,860,670	(1,001,712)
Total Primary Government Changes in Net Position	946,277	2,320,374	(10,108,741)

* Accrual Basis of Accounting

Data Source: Audited Financial Statements

2016	2017	2018	2019	2020	2021	2022
(35,907,830)	(34,214,041)	(33,379,591)	(41,503,062)	(30,823,720)	(30,064,188)	(20,850,041)
(755,844)	665,664	(3,084)	(2,792,308)	997,803	(1,718,400)	(1,533,444)
(36,663,674)	(33,548,377)	(33,382,675)	(44,295,370)	(29,825,917)	(31,782,588)	(22,383,485)
13,010,453	13,474,303	13,757,494	14,038,228	14,816,068	14,370,115	17,888,128
7,642,127	7,713,258	8,099,670	1,592,759	1,513,744	1,558,645	1,562,260
2,039,489	1,506,508	1,649,183	8,038,598	7,277,424	9,601,236	10,502,150
2,283,702	2,872,210	2,719,557	2,591,256	2,282,852	2,839,400	3,065,660
402,648	470,075	390,862	481,138	429,849	754,446	1,525,636
2,265,196	2,137,330	2,228,476	2,476,837	2,528,726	3,089,256	4,122,078
565,191	601,914	683,568	785,168	1,039,081	921,642	1,025,240
60,078	776,459	304,846	367,036	207,119	1,094,698	353,402
329,075	224,985	599,709	512,282	1,034,799	92,414	(83,547)
28,597,959	29,777,042	30,433,365	30,883,302	31,129,662	34,321,852	39,961,007
11,330	15,972	32,374	40,392	9,545	726	(4,708)
173,804	194,279	151,901	213,235	190,922	246,733	424,452
—	—	—	—	—	—	—
185,134	210,251	184,275	253,627	200,467	247,459	419,744
28,783,093	29,987,293	30,617,640	31,136,929	31,330,129	34,569,311	40,380,751
(7,309,871)	(4,436,999)	(2,946,226)	(10,619,760)	305,942	4,257,664	19,110,966
(570,710)	875,915	181,191	(2,538,681)	1,198,270	(1,470,941)	(1,113,700)
(7,880,581)	(3,561,084)	(2,765,035)	(13,158,441)	1,504,212	2,786,723	17,997,266

VILLAGE OF MORTON GROVE, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years* December 31, 2022 (Unaudited)

	2013	2014	2015
General Fund			
Nonspendable			
Advance to Other Funds	\$ 1,506,190	1,514,751	2,781,489
Prepaid Items	—	589,507	192
Restricted			
Public Safety	14,559	—	—
Retirement	—	—	4,961
Unrestricted/Unassigned	5,744,509	5,745,220	5,891,331
Total General Fund	7,265,258	7,849,478	8,677,973
All Other Governmental Funds			
Nonspendable			
Prepaid Items	—	—	297,983
Advance to Other Funds	—	44,364	—
Restricted			
Public Safety	498,175	805,492	1,168,217
Capital Improvements			
Unspent Bond Proceeds	1,078,056	18	3,597,581
Community Development	13,493,724	14,228,109	15,018,344
Highways and Streets	637,927	860,194	765,044
Debt Service	—	—	337,367
Unrestricted			
Committed for Commuter Improvements	105,648	59,855	61,734
Unassigned	(2,150,549)	(1,905,351)	(2,860,210)
Total All Other Governmental Funds	13,662,981	14,092,681	18,386,060
Total Governmental Funds	20,928,239	21,942,159	27,064,033

* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

2016	2017	2018	2019	2020	2021	2022
3,276,359	1,148,930	1,148,930	1,148,930	1,148,930	1,148,930	—
192	192	192	192	192	192	192
—	—	—	—	—	—	—
—	—	66,273	117,759	88,103	18,571	—
6,678,041	10,201,704	11,084,114	10,524,675	10,357,207	12,626,851	14,558,106
9,954,592	11,350,826	12,299,509	11,791,556	11,594,432	13,794,544	14,558,298
—	—	—	—	—	—	100,000
44,364	—	—	—	—	—	—
1,266,779	1,372,686	1,540,143	1,789,486	1,805,103	1,731,590	1,894,270
1,753,252	1,076,628	1,151,649	1,244,392	1,589,628	1,380,428	1,558,255
15,830,847	12,189,640	11,802,511	24,217,393	18,337,079	18,043,891	21,265,074
841,869	915,002	916,139	989,723	1,606,434	2,181,901	2,571,569
100,190	118,339	292,204	116,253	—	—	—
66,331	23,930	641	—	—	—	—
(3,370,901)	(3,314,637)	(3,402,498)	(2,929,184)	(1,083,229)	(1,116,658)	(346,296)
16,532,731	12,381,588	12,300,789	25,428,063	22,255,015	22,221,152	27,042,872
26,487,323	23,732,414	24,600,298	37,219,619	33,849,447	36,015,696	41,601,170

VILLAGE OF MORTON GROVE, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years* December 31, 2022 (Unaudited)

	2013	2014	2015
Revenues			
Taxes	\$ 22,290,504	22,273,754	23,595,467
Intergovernmental	4,290,145	4,250,153	4,618,358
Charges for Services	1,061,973	1,139,875	1,204,934
License and Permits	1,498,507	1,741,148	1,826,803
Fines and Forfeitures	835,461	827,515	717,300
Surcharge Fees	249,121	246,727	283,028
Investment Income	12,248	15,843	17,912
Cable TV	322,822	340,991	336,620
Miscellaneous	416,493	275,667	236,286
Total Revenues	30,977,274	31,111,673	32,836,708
Expenditures			
General Government	2,983,917	2,969,658	3,259,332
Public Safety	16,871,340	17,705,168	18,491,369
Streets and Sidewalks	3,147,491	3,732,439	3,322,002
Vehicle Maintenance	846,686	793,103	701,174
Health and Human Services	284,289	282,897	217,248
Community Development	765,500	1,322,606	1,385,112
Building and Inspection Services	858,707	790,256	707,754
Capital Outlay	3,431,829	315,560	2,173,640
Debt Service			
Principal Retirement	2,627,833	2,846,995	1,665,200
Interest	793,459	783,179	932,247
Total Expenditures	32,611,051	31,541,861	32,855,078
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,633,777)	(430,188)	(18,370)
Other Financing Sources (Uses)			
Transfers In	—	—	—
Transfers (Out)	—	—	—
Issuance of Bonds	—	—	10,010,000
Premium on Bonds Issued	—	—	1,472,259
Payments to Bond Escrow	—	—	(6,359,521)
Issuance of Installment Note	1,060,000	1,415,000	—
Disposal of Capital Assets	58,788	29,108	17,506
	1,118,788	1,444,108	5,140,244
Net Change in Fund Balances	(514,989)	1,013,920	5,121,874
Debt Service as a Percentage of Noncapital Expenditures	11.02%	11.08%	8.64%

* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

2016	2017	2018	2019	2020	2021	2022
20,170,610	20,728,811	21,049,186	20,931,175	20,656,794	21,504,080	25,644,862
8,851,872	8,965,474	9,412,078	10,237,814	11,199,149	14,896,167	16,002,688
1,375,439	1,409,280	1,616,010	2,039,617	1,818,340	2,006,018	2,531,283
1,689,844	1,801,637	1,897,530	2,073,762	2,559,440	1,914,320	1,896,292
654,226	626,021	778,916	652,083	484,020	541,451	252,068
—	—	—	—	—	—	—
60,078	776,459	304,846	367,036	207,119	1,094,698	353,402
368,533	369,732	340,608	—	—	—	—
329,075	224,985	599,709	512,282	1,034,799	92,414	(83,547)
33,499,677	34,902,399	35,998,883	36,813,769	37,959,661	42,049,148	46,597,048
3,645,330	3,648,820	3,997,077	3,469,455	3,710,182	3,747,707	4,251,844
18,807,704	19,397,065	20,843,690	21,142,482	21,686,921	23,292,434	23,819,855
3,189,534	3,036,929	3,093,940	3,312,092	3,134,159	3,515,457	4,452,068
687,317	662,341	696,662	852,620	742,774	928,257	921,143
16,446	9,059	27,957	50,378	11,448	13,876	26,201
1,095,015	1,488,315	1,742,062	9,496,350	8,126,273	1,326,585	1,529,506
896,333	1,062,123	1,148,653	1,744,638	1,205,278	1,215,633	1,358,608
2,714,242	1,483,829	1,873,718	171,947	37,077	2,419,480	1,423,338
2,158,501	3,499,742	1,061,989	2,172,423	2,206,171	2,158,600	2,103,200
876,035	787,431	645,251	656,313	469,550	1,264,870	1,161,188
34,086,457	35,075,654	35,130,999	43,068,698	41,329,833	39,882,899	41,046,951
(586,780)	(173,255)	867,884	(6,254,929)	(3,370,172)	2,166,249	5,550,097
493,658	2,537,988	433,783	436,875	2,551,889	436,875	12,838,154
(493,658)	(2,537,988)	(433,783)	(436,875)	(2,551,889)	(436,875)	(12,838,154)
—	—	—	21,689,800	—	—	—
—	—	—	527,450	—	—	—
—	—	—	(3,343,000)	—	—	—
—	—	—	—	—	—	—
10,070	(2,581,654)	—	—	—	—	35,377
10,070	(2,581,654)	—	18,874,250	—	—	35,377
(576,710)	(2,754,909)	867,884	12,619,321	(3,370,172)	2,166,249	5,585,474
9.10%	12.62%	4.90%	6.71%	6.59%	8.90%	8.25%

VILLAGE OF MORTON GROVE, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years December 31, 2022 (Unaudited)

Fiscal Year	Tax Levy Year	Residential Property	Farm	Commercial Property
2013	2012	\$ 606,992,305	\$ 103,019	\$ 87,545,734
2014	2013	502,751,427	87,861	84,511,239
2015	2014	498,219,161	89,479	128,260,405
2016	2015	485,947,584	89,446	135,675,717
2017	2016	587,543,773	89,527	145,322,663
2018	2017	583,828,478	89,621	149,799,822
2019	2018	571,197,120	89,590	145,556,595
2020	2019	655,555,241	89,594	178,702,961
2021	2020	650,288,778	89,776	188,653,296
2022	2021	591,684,244	89,649	180,269,610

Data Source: Office of the County Clerk

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
\$ 116,476,425	\$ 811,117,483	1.231	\$ 2,433,352,692	33.333%
101,866,766	689,217,293	1.451	2,067,652,086	33.333%
75,359,033	701,928,078	1.505	2,105,784,445	33.333%
74,127,176	695,839,923	1.504	2,087,519,978	33.333%
80,042,849	812,998,812	1.300	2,438,996,680	33.333%
83,035,320	816,753,241	1.331	2,450,259,968	33.333%
83,493,472	800,336,777	1.385	2,401,010,571	33.333%
106,433,500	940,781,296	1.179	2,822,344,170	33.333%
115,862,092	954,893,942	1.160	2,864,682,112	33.333%
106,569,627	878,613,130	1.293	2,635,839,654	33.333%

VILLAGE OF MORTON GROVE, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years December 31, 2022 (Unaudited)

	2012	2013	2014
Village Direct Rates			
General	0.658	0.725	0.779
Police Pension	0.191	0.258	0.265
Fire Pension	0.216	0.284	0.284
Bonds and Interest	0.136	0.143	0.121
IMRF	0.022	0.030	0.041
Purchase Agreement	0.002	0.003	—
Capital Improvement	0.006	0.008	0.015
Total Direct Rates	1.231	1.451	1.505
Overlapping Rates			
Morton Grove Library	0.377	0.444	0.458
School District #68	2.723	3.144	3.121
School District #69	5.481	6.214	5.926
School District #67	2.961	3.497	3.427
School District #63	3.100	3.864	3.811
School District #70	3.669	4.351	4.344
High School District #207	2.215	2.722	2.739
High School District #219	3.256	3.707	3.650
Community College District #535	0.219	0.256	0.258
Cook County	0.531	0.560	0.568
Cook County Forest Preserve	0.063	0.069	0.069
Consolidated Elections	0.531	0.031	—
Metro Water Reclamation District	0.370	0.417	0.430
Morton Grove Park District	0.382	0.468	0.463
Skokie Park District	0.518	0.581	0.477
Glenview Park District	0.579	0.662	0.661
Maine Township	0.168	0.210	0.210
Niles Township	0.048	0.056	0.057
North Shore Mosquito Abatement	0.010	0.007	0.011
Total Overlapping Rates	27.201	31.260	30.680
Total Direct and Overlapping Rates	28.432	32.711	32.185

Data Source: Office of the County Clerk

2015	2016	2017	2018	2019	2020	2021
0.710	0.574	0.549	0.495	0.415	0.362	0.381
0.302	0.289	0.338	0.358	0.313	0.341	0.373
0.314	0.287	0.334	0.355	0.312	0.321	0.401
0.122	0.102	0.075	0.141	0.108	0.106	0.103
0.041	0.035	0.035	0.036	0.031	0.030	0.035
—	—	—	—	—	—	—
0.015	0.013	—	—	—	—	—
1.504	1.300	1.331	1.385	1.179	1.160	1.293
0.419	0.419	0.421	0.430	0.377	0.371	0.404
2.863	2.863	2.827	2.966	2.735	2.743	2.957
5.696	5.696	5.806	6.010	5.310	5.492	5.903
2.957	2.957	2.962	3.110	2.766	2.746	3.000
3.492	3.492	3.556	3.763	3.245	3.388	3.770
3.797	3.797	3.838	3.958	3.409	3.410	3.820
2.507	2.507	2.529	2.652	2.553	2.639	2.901
3.460	4.460	3.409	3.347	3.017	3.029	3.350
0.231	0.231	0.232	0.025	0.221	0.227	0.252
0.533	0.533	0.496	0.489	0.454	0.453	0.446
0.063	0.063	0.062	0.600	0.059	0.058	0.058
—	—	0.031	—	0.030	—	0.019
0.406	0.406	0.402	0.396	0.389	0.378	0.382
0.431	0.431	0.444	0.462	0.406	0.537	0.591
0.440	0.440	0.440	0.463	0.411	0.406	0.451
0.563	0.563	0.567	0.651	0.576	0.591	0.657
0.108	0.108	0.105	0.092	0.086	0.076	0.148
0.046	0.046	0.054	0.049	0.052	0.053	0.059
0.010	0.010	0.010	0.010	0.009	0.009	0.009
28.022	29.022	28.191	29.473	26.105	26.606	29.177
29.526	30.322	29.522	30.858	27.284	27.766	30.470

VILLAGE OF MORTON GROVE, ILLINOIS

Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago December 31, 2022 (Unaudited)

Taxpayer	2020 Tax Levy Year			2011 Tax Levy Year		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Schwinge Family Ltd	\$ 16,083,902	1	1.68%	\$ 12,835,238	3	1.35%
CRP Holdings CLP	13,494,950	2	1.41%	21,853,805	1	2.29%
Fareva Morton Grove	10,870,759	3	1.14%			
CMK 9000 Waukegan LLC	10,251,866	4	1.07%			
Fluid Handling LLC	9,733,320	5	1.02%			
Public Storage	9,171,092	6	0.96%	6,114,451	9	0.64%
John Crane Inc	8,952,994	7	0.94%	8,595,916	7	0.90%
Morton Grove Flex Owner	8,944,935	8	0.94%			
CRE North Grove CPIII	8,475,228	9	0.89%			
Menards	8,353,067	10	0.87%	10,445,533	4	1.10%
Tower Real Estate				14,389,488	2	1.51%
Bell & Gossett				9,274,442	5	0.97%
Avon Products Inc.				8,884,854	6	0.93%
Richard Edler				6,283,814	8	0.66%
Kraft				5,784,841	10	0.61%
	<u>104,332,113</u>		<u>10.92%</u>	<u>104,462,382</u>		<u>10.96%</u>

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels and it is possible that some parcels and their valuations have been looked over.

Data Source: Office of the County Clerk

Most recent available data presented

VILLAGE OF MORTON GROVE, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years December 31, 2022 (Unaudited)

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2013	2012	\$ 9,986,976	\$ 9,784,931	97.98%	\$ —	\$ 9,784,931	97.98%
2014	2013	9,986,976	9,821,777	98.35%	—	9,821,777	98.35%
2015	2014	10,556,998	10,374,750	98.27%	—	10,374,750	98.27%
2016	2015	10,463,024	10,351,433	98.93%	—	10,351,433	98.93%
2017	2016	10,463,012	10,296,872	98.41%	—	10,296,872	98.41%
2018	2017	10,866,072	10,589,343	97.45%	—	10,589,343	97.45%
2019	2018	10,787,170	10,786,186	99.99%	—	10,786,186	99.99%
2020	2019	11,083,920	10,804,349	97.48%	—	10,804,349	97.48%
2021	2020	10,818,484	10,716,675	99.06%	—	10,716,675	99.06%
2022	2021	11,067,507	11,066,593	99.99%		11,066,593	99.99%

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

Data Source: Office of the County Clerk

VILLAGE OF MORTON GROVE, ILLINOIS

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years December 31, 2022 (Unaudited)

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Installment Notes Payable	Intergovernmental Agreements Payable	Tax Increment Financing Revenue Bonds Payable
2013	\$ 16,549,300	\$ 2,139,121	\$ 3,134,950	\$ —
2014	15,487,800	1,768,626	2,785,393	—
2015	19,563,778	1,385,826	2,407,781	—
2016	17,620,627	990,325	2,001,120	—
2017	14,345,795	581,383	1,564,381	—
2018	13,363,163	317,994	1,096,497	—
2019	11,220,577	160,571	902,350	18,817,804
2020	8,956,480	—	699,104	18,808,664
2021	6,579,383	—	480,262	18,799,524
2022	4,257,686	—	246,879	18,790,384

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Note: Details of the Village's outstanding debt can be found in the notes to financial statements.

Business-Type Activities		Total Primary Government		Percentage of Personal Income (1)	Per Capita (1)
General Obligation Bonds					
\$	4,175,700	\$	25,999,071	4.14%	\$ 1,117.28
	3,577,200		23,619,019	3.10%	1,015.00
	3,389,475		26,746,860	3.32%	1,149.41
	3,202,841		23,814,913	3.10%	1,013.53
	3,014,007		19,505,566	2.48%	833.11
	2,822,973		17,600,627	2.27%	760.55
	2,670,994		33,772,296	3.96%	1,481.50
	2,474,514		30,938,762	3.54%	1,357.20
	2,256,035		28,115,204	2.72%	1,112.64
	2,022,156		25,317,105	2.53%	1,038.82

VILLAGE OF MORTON GROVE, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years December 31, 2022 (Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities		Less: Amounts Available for Debt Service		Percentage of Total Taxable Assessed Value of Property (1)		Per Capita (2)
	General Obligation Bonds	General Obligation Bonds	General Obligation Bonds	General Obligation Bonds	Total	Total	Property (1)	Property (1)	
2013	\$ 15,487,800	\$ 3,577,200	\$ —	\$ 19,065,000	2.35%	\$ 819.30			
2014	19,563,778	3,389,475	46,839	22,906,414	3.32%	984.38			
2015	17,620,627	3,202,841	337,367	20,486,101	2.92%	880.37			
2016	14,345,795	3,014,007	52,218	17,307,584	2.49%	736.59			
2017	13,363,163	2,822,973	86,454	16,099,682	1.98%	687.64			
2018	11,220,577	2,670,994	263,754	13,627,817	1.67%	588.88			
2019	8,956,480	2,474,514	—	11,430,994	1.43%	501.45			
2020	6,579,383	2,256,035	—	8,835,418	0.94%	387.59			
2021	6,579,383	2,256,035	—	8,835,418	0.93%	349.65			
2022	4,257,686	2,022,156	—	6,279,842	0.71%	257.68			

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

Notes: Details of the Village's outstanding debt can be found in the notes to financial statements. User fees/charges are the main source in repayment of the General Obligation Bonds - Business-Type.

VILLAGE OF MORTON GROVE, ILLINOIS

Schedule of Direct and Overlapping Governmental Activities Debt December 31, 2022 (Unaudited)

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)(2)	Village's Share of Debt
Village of Morton Grove	\$ 23,294,949	100.000%	\$ 23,294,949
Schools			
School District #63	48,425,000	15.24%	7,379,970
School District #67	5,375,000	71.10%	3,821,625
School District #69	34,065,000	16.57%	5,644,571
School District #70	1,505,000	98.70%	1,485,435
High School District #207	158,100,000	3.44%	5,438,640
High School District #219	590,000	15.78%	93,102
Community College District #535	42,855,000	3.60%	1,542,780
Total Schools	290,915,000		25,406,123
Others			
Cook County	2,576,691,750	0.50%	12,883,459
Cook County Forest Preserve	109,265,000	0.50%	546,325
Metropolitan Metro Water Reclamation District of Greater Chicago	2,759,628,416	0.51%	14,074,105
Morton Grove Niles Water Commission	25,000,000	39.31%	9,827,500
Glenview Park District	26,749,000	0.30%	80,247
Morton Grove Park District	10,950,000	99.48%	10,893,060
Skokie Park District	27,928,538	0.50%	139,643
Total Others	5,536,212,704		48,444,339
Total Overlapping Debt	318,843,538		73,850,462
Total Direct and Overlapping Debt	342,138,487		97,145,411

(1) Overlapping debt percentages based on 2021 EAV, the most recent available.

(2) Percentages are calculated by comparing the equalized assess value (EAV) of the overlapping entity that falls within the boundaries of the Village of its total EAV.

Data Source: Cook County Clerk

VILLAGE OF MORTON GROVE, ILLINOIS

Legal Debt Margin

December 31, 2022 (Unaudited)

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois constitution governs computation of legal debt margin.

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by some home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.

To date the General Assembly has set no limits for home rule municipalities.

VILLAGE OF MORTON GROVE, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2022 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2013	23,270	\$ 627,661,710	\$ 26,973	8.90%
2014	23,270	762,278,660	32,758	8.70%
2015	23,270	805,886,640	34,632	5.80%
2016	23,497	769,282,930	32,740	5.20%
2017	23,413	785,108,129	33,533	3.70%
2018	23,142	773,937,906	33,443	3.70%
2019	22,796	852,342,440	37,390	3.00%
2020	22,796	874,933,276	38,381	8.40%
2021	25,269	1,034,083,287	40,923	5.30%
2022	24,371	999,308,484	41,004	N/A

Data Sources: U.S. Bureau of Census, Department of Labor and Village Records

N/A - Not Available

VILLAGE OF MORTON GROVE, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago December 31, 2022 (Unaudited)

Employer	2022			2013		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Xylem	475	1	1.88%	475	1	2.03%
John Crane Inc	460	2	1.82%	460	2	1.96%
Advanced Skin and Mohs Clinic	410	3	1.62%			
Amazon Fresh	300	4	1.19%	300	3	1.28%
Fareva	300	4	1.19%	300	3	1.28%
Lakeshore Recycling	225	6	0.89%	225	5	0.96%
Schwartz Paper Co	200	7	0.79%	200	6	0.85%
Quantum Color Graphics	200	7	0.79%	200	6	0.85%
MG Phamaceutical	176	9	0.70%	154	7	0.66%
Illinois Bone & Joint	175	10	0.69%	150	8	0.64%
Prescense Health	165	10	0.65%			
Menards				150	8	0.64%
Cooper's Hawk				150	8	0.64%
	<u>3,086</u>		<u>12.21%</u>	<u>2,764</u>		<u>11.79%</u>

Data Source: Village business licenses, 2022 Illinois Manufacturers Directory and 2022 Illinois Services Directory

VILLAGE OF MORTON GROVE, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years
December 31, 2022 (Unaudited)**

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS

Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years December 31, 2022 (Unaudited)

Function/Program	2013	2014	2015
General Government			
Administrative	4.0	4.5	4.0
Community Development	1.0	2.5	2.0
Legal	0.5	0.5	0.5
Management Information	1.0	1.0	1.0
Finance	6.0	6.0	6.0
Health and Human Services	—	0.5	0.5
Family Services	3.5	2.5	2.5
Building/Code Enforcement	4.0	5.0	4.0
Public Safety			
Police			
Officers	45.0	46.0	46.0
Civilians	21.0	17.0	15.0
Fire			
Firefighters and Officers	42.0	41.0	39.0
Civilians	3.5	3.0	2.5
Public Works			
Street Maintenance	17.5	20.0	20.0
Engineering	3.0	3.0	3.0
Vehicle Maintenance	4.0	4.0	4.0
Water and Sewer	12.0	12.0	13.5
Totals	168.0	168.5	163.5

Data Source: Village Budget Office

2016	2017	2018	2019	2020	2021	2022
4.0	5.0	4.0	4.0	4.0	3.0	3.0
2.0	2.0	2.0	2.0	2.0	2.0	2.0
0.5	0.5	0.5	0.5	0.5	0.5	0.5
1.0	1.5	1.5	1.5	1.5	1.5	1.5
6.0	6.0	6.0	6.0	6.0	5.0	6.0
—	—	—	—	—	—	—
2.5	2.5	2.5	2.5	2.5	2.5	2.5
4.0	4.0	3.5	3.0	3.0	3.0	3.0
47.0	47.0	47.0	46.0	46.0	46.0	46.0
15.0	15.0	15.0	15.0	15.0	15.0	15.0
42.0	42.0	42.0	42.0	42.0	42.0	42.0
2.5	2.5	2.5	3.5	4.0	4.0	4.0
19.0	19.0	19.0	19.0	19.0	19.0	19.0
3.0	3.0	3.0	3.0	3.0	3.0	3.0
4.0	4.0	4.0	4.0	4.0	4.0	4.0
12.5	12.5	12.5	13.5	13.5	13.5	13.5
165.0	166.5	165.0	165.5	166.0	164.0	165.0

VILLAGE OF MORTON GROVE, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years December 31, 2022 (Unaudited)

Function/Program	2013	2014	2015
Public Safety			
Police			
Physical Arrests	513	551	438
Parking Violations	6,465	4,530	3,814
Traffic Violations	3,849	3,072	3,292
Fire			
Emergency Responses	3,470	3,631	3,694
Fires Extinguished	63	69	39
Public Works			
Street Resurfacing (Miles)	6	2	4
Potholes Repaired	132	160	104
Water			
New Connections	7	9	—
Water Mains Breaks	122	80	72
Average Daily Consumption	2,601,227	2,869,367	2,698,000
Peak Daily Consumption	4,238,000	3,628,000	5,086,000

Data Source: Various Village Departments

2016	2017	2018	2019	2020	2021	2022
430	377	421	503	235	357	363
3,736	2,861	4,241	3,677	1,366	1,395	1,231
2,234	2,546	3,688	2,723	1,052	1,522	1,306
3,771	3,927	3,992	3,961	3,530	4,065	4,464
34	35	61	106	96	83	108
4	1	2	2	—	1	1
109	102	122	87	86	85	78
—	—	—	—	—	—	—
63	69	82	86	79	94	84
2,681,000	2,547,000	2,787,000	2,777,000	2,816,000	2,609,000	2,392,000
3,650,000	3,381,000	3,898,000	4,123,000	5,573,000	3,982,000	3,182,000

VILLAGE OF MORTON GROVE, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2022 (Unaudited)

Function/Program	2013	2014	2015
Public Safety			
Police			
Stations	1	1	1
Area Patrols	3	3	3
Patrol Units	15	15	15
Fire			
Fire Stations	2	2	2
Fire Engines	2	2	2
Public Works			
Arterial Streets (Miles)	19	19	19
Residential Street (Miles)	86	86	86
Streetlights	372	372	372
Traffic Signals	13	13	13
Water			
Water Mains (Miles)	98.9	98.9	98.9
Fire Hydrants	1,093	1,093	1,093
Storage Capacity (Gallons)	8,550,000	8,550,000	8,550,000
Wastewater			
Sanitary Sewers (3 Miles)	47.9	47.9	47.9
Storm Sewers (3 Miles)	70.6	70.6	70.6
Combined Sewers (Miles)	23.6	23.6	23.6

Data Source: Various Village Departments

2016	2017	2018	2019	2020	2021	2022
1	1	1	1	1	1	1
3	3	3	3	3	3	3
15	15	15	15	15	15	15
2	2	2	2	2	2	2
2	2	2	2	2	2	2
19	19	19	19	19	19	19
86	86	86	86	86	86	86
357	357	357	357	357	357	357
13	13	13	13	13	13	13
99.0	99.0	99.0	99.0	99.0	99.0	99.0
1,093	1,093	1,093	1,093	1,093	1,093	1,093
8,550,000	8,550,000	8,550,000	8,550,000	8,550,000	8,550,000	8,550,000
47.9	47.9	40.6	40.6	40.6	40.6	40.6
70.6	70.6	44.8	44.8	44.8	44.8	44.8
23.6	23.6	21.3	21.1	21.1	21.1	21.1