

VILLAGE OF MORTON GROVE, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

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VILLAGE OF MORTON GROVE, ILLINOIS
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2023

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, 2023

LEGISLATIVE

Daniel DiMaria, Village President
(Term Ends April 2025)

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

TRUSTEES

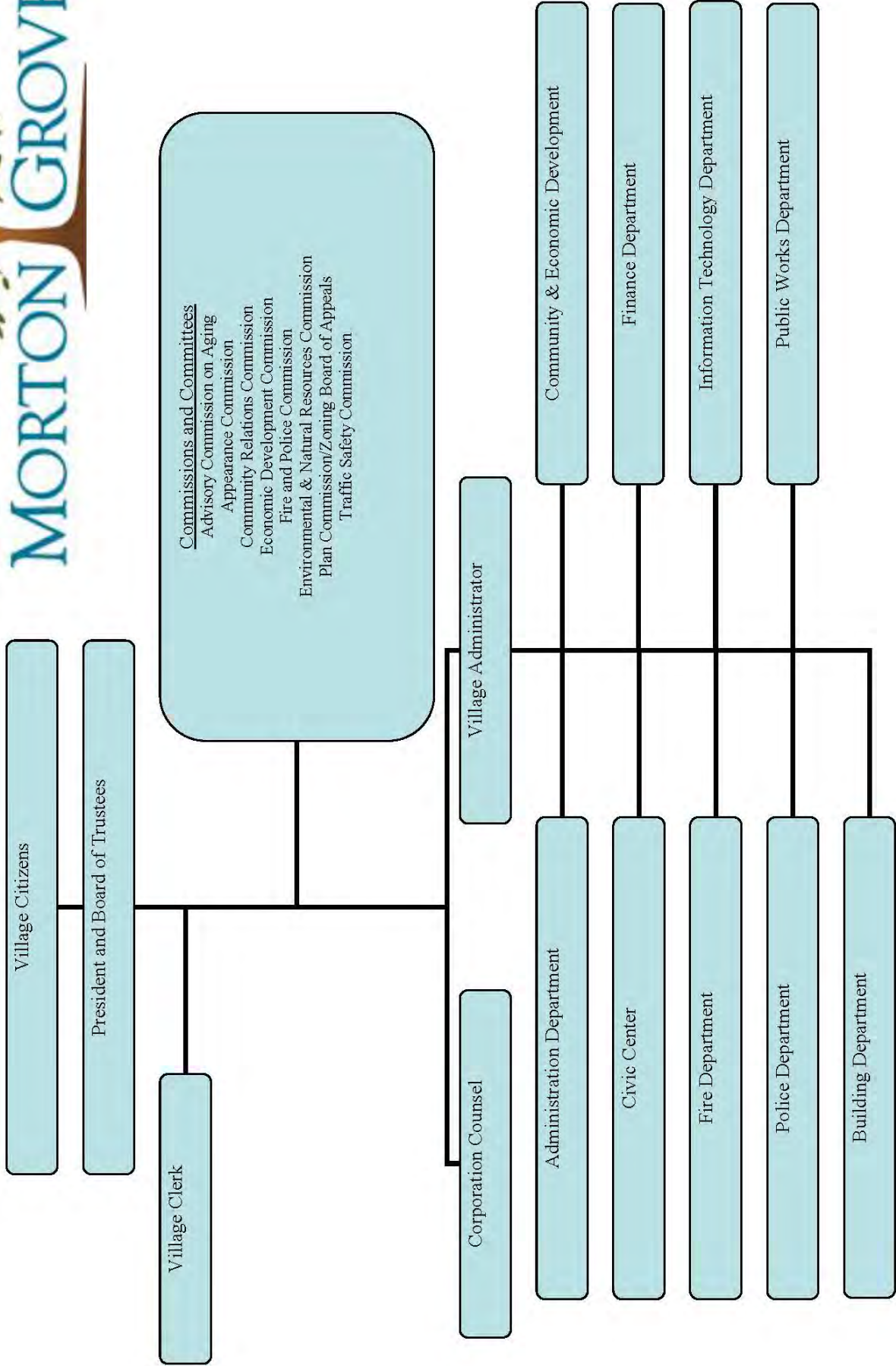
Ashur Shiba, Term Ends April 2023
Rita Minx, Term Ends April 2023
Connie Travis, Term Ends April 2024
John Thill, Term Ends April 2023
Janine Witko, Term Ends April 2023
Saba Khan, Term Ends April 2025

ADMINISTRATIVE

(Appointments End December 31, 2023)

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**



December 23, 2024

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, 2023, 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, 2023. 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. The Village continues to analyze available property for redevelopment opportunities. 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 2023.

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 \$102,940, and the median income for a family was, \$121,495. Males had a median income of \$72,193 versus \$53,274 for females. The per capita income for the Village was \$44,926. About 5.2% of families and 7.1% of the population were below the poverty line, including 12% of those families with children under age 18 and 8% 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. 2023 saw revenues continue to 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 2024. The Village also entered into a redevelopment for the construction of new town homes in 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, 2022. This was the thirty-third 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 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, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITOR'S REPORT

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



INDEPENDENT AUDITOR'S REPORT

December 23, 2024

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 (the Village), as of and for the year ended December 31, 2023, 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, 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, 2023, 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, 2023 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, and supplementary pension and other post-employment benefit (OPEB) schedules, 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, the 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, 2023

As management of the Village of Morton Grove, Illinois (the Village), 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, 2023.

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, 2023

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, 2023

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, 2023

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, 2023, compared to December 31, 2022:

**Village of Morton Grove
Statement of Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current Assets	\$ 65,529,959	59,476,880	6,884,994	5,169,256	72,414,953	64,646,136
Capital Assets	56,163,617	55,087,598	10,692,948	10,796,041	66,856,565	65,883,639
Other Assets	9,536	1,961	—	—	9,536	1,961
Total Assets	121,703,112	114,566,439	17,577,942	15,965,297	139,281,054	130,531,736
Deferred Outflows of Resources	13,655,691	19,337,018	450,254	517,747	14,105,945	19,854,765
Total Assets/ Deferred Outflows	135,358,803	133,903,457	18,028,196	16,483,044	153,386,999	150,386,501
Long-Term Debt	121,148,845	118,929,019	8,750,901	9,278,724	129,899,746	128,207,743
Other Liabilities	7,623,716	9,020,618	752,447	1,453,835	8,376,163	10,474,453
Total Liabilities	128,772,561	127,949,637	9,503,348	10,732,559	138,275,909	138,682,196
Deferred Inflows of Resources	24,230,411	28,136,993	4,618,416	2,436,669	37,147,920	36,508,779
Total Liabilities/ Deferred Inflows	153,002,972	156,086,630	14,121,764	13,169,228	175,423,829	175,190,975
Net Position						
Net Investment in Capital Assets	53,131,631	50,852,664	8,915,671	8,773,885	62,047,302	59,626,549
Restricted	27,063,336	27,291,129	—	—	27,063,336	27,291,129
Unrestricted (Deficit)	(97,839,136)	(100,326,966)	(5,009,239)	(5,460,069)	(102,848,375)	(105,787,035)
Total Net Position	(17,644,169)	(22,183,173)	3,906,432	3,313,816	(13,737,737)	(18,869,357)

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2023

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 \$62,047,302, 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, \$27,063,336, 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, 2023

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	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 4,670,457	4,688,881	10,301,280	10,130,051	14,971,737	14,818,932
Operating Grants/Contrib.	1,305,105	1,496,384	—	—	1,305,105	1,496,384
Capital Grants/Contrib.	—	138,276	—	—	—	138,276
General Revenues						
Taxes	39,150,031	39,691,152	—	—	39,150,031	39,691,152
Investment Income	1,480,767	353,402	210,278	(4,708)	1,691,045	348,694
Miscellaneous	368,583	228,953	286,015	424,452	654,598	653,405
Total Revenues	46,974,943	46,597,048	10,797,573	10,549,795	57,772,516	57,146,843
Expenses						
General Government	4,316,451	183,312	—	—	4,316,451	183,312
Public Safety	21,802,542	20,890,721	—	—	21,802,542	20,890,721
Streets and Sidewalks	5,410,672	1,545,554	—	—	5,410,672	1,545,554
Vehicle and Maintenance	867,181	921,143	—	—	867,181	921,143
Health and Human Services	57,424	26,201	—	—	57,424	26,201
Community Development	7,224,445	1,529,506	—	—	7,224,445	1,529,506
Building and Inspection Services	1,193,462	1,125,225	—	—	1,193,462	1,125,225
Interest on Long-Term Debt	1,563,762	951,920	—	—	1,563,762	951,920
Water and Sewer	—	—	7,921,922	9,723,410	7,921,922	9,723,410
Solid Waste	—	—	2,107,326	1,802,799	2,107,326	1,802,799
Municipal Parking	—	—	—	(157)	—	(157)
Morton Grove Days	—	—	175,709	137,443	175,709	137,443
Total Expenses	42,435,939	27,173,582	10,204,957	11,663,495	52,640,896	38,837,077
Change in Net Position	4,539,004	19,423,466	592,616	(1,113,700)	5,131,620	18,309,766
Net Position - Beginning	(22,183,173)	(41,606,639)	3,313,816	4,427,516	(18,869,357)	(37,179,123)
Net Position - Ending	(17,644,169)	(22,183,173)	3,906,432	3,313,816	(13,737,737)	(18,869,357)

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2023

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, 2023

GOVERNMENTAL ACTIVITIES

Revenues:

Revenues for governmental activities totaled \$46,974,943 at December 31, 2023.

- Property tax continues to be the Village's largest revenue source totaling \$17,840,122 representing 37.98% of total governmental activity revenue. Sales tax revenue was \$10,741,438 or 22.87% of total governmental activity revenue. Charges for Services revenue was \$4,670,457 or 9.94% of total governmental activity revenue. State income tax revenue was \$4,040,422 or 8.60% of total governmental activity revenue. Miscellaneous taxes revenue (local use, real estate transfer, hotel & motel tax, and others) was \$4,783,129 or 10.18% of total governmental activity revenue. Telecommunication tax was \$304,869 or 0.65% of total governmental activity revenue. A utility tax (Electric, Gasoline & Natural gas tax) was \$1,440,051 or 3.07% of total governmental activity revenue.

Comparison with Prior Year.

- Property tax revenue decreased by \$48,006 or 0.27% from prior year due to slight decrease in collections. Sales tax revenue increased by \$239,288 or 2.28% from prior year due to the opening of new businesses in the Sawmill TIF District, other economic development, and inflation. Charges for Services revenue decreased by \$18,424 or 0.39% from prior year. State income tax revenue decreased by \$81,656 or 1.98% from prior year due to a population decrease. Miscellaneous taxes revenue (local use, real estate transfer, hotel & motel tax, food & beverage, and others) decreased by \$461,848 or 8.81% from prior year. The biggest decrease was in telecom and utility taxes, while other taxes showed increases. Food and beverage increased due to the opening of several new restaurants. Real estate transfer taxes saw a decrease due to large property transfers in 2022. Telecommunication decreased by \$66,690 or 17.95% 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) decreased by \$122,209 or 7.82% 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. Last winter was unusually mild.

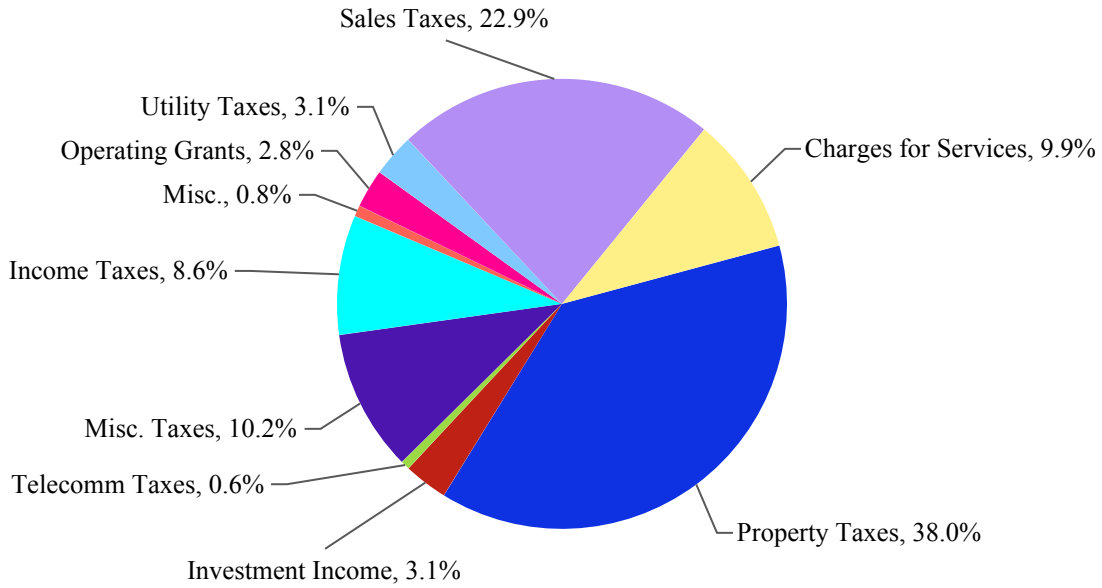
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VILLAGE OF MORTON GROVE, ILLINOIS

**Management Discussion and Analysis
December 31, 2023**

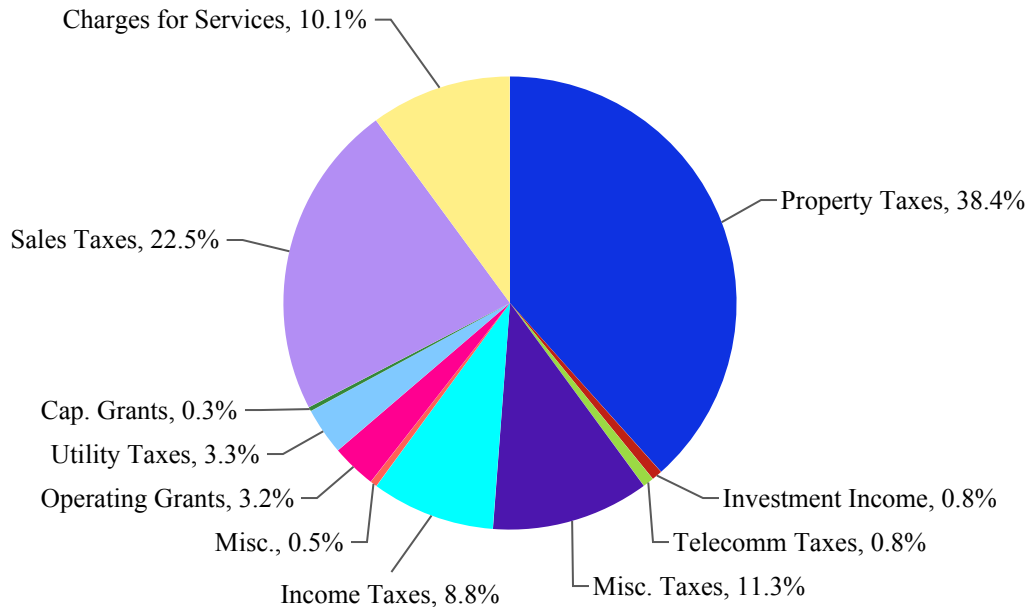
The following table graphically depicts the major revenue sources of the Village.

Revenues by Source - Governmental Activities
December 31, 2023



Prior Year Revenue by Source - Governmental Activities - For Comparison

Revenues by Source - Governmental Activities
December 31, 2022



VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2023

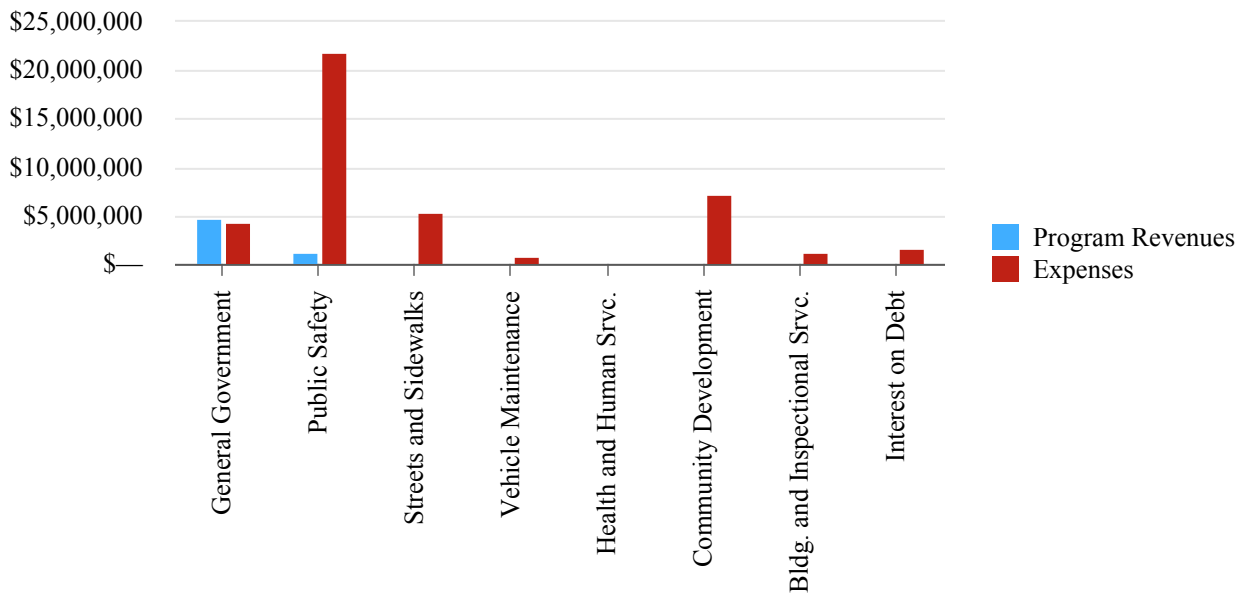
Expenses

Expenses for governmental activities were \$42,435,939 at December 31, 2023, and \$27,173,582 at December 31, 2022, an increase of \$15,262,357 or 56.17%

The increase in expense for governmental activities is due to changes in long term liabilities for the IMRF pension, MERF pension, OPEB benefits and compensated absences. The Village also has a major street resurfacing project.

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.

Expense and Program Revenues - Governmental Activities
December 31, 2023



BUSINESS-TYPE ACTIVITIES

Business-Type activities posted program revenues of \$10,301,280, while the costs of all business-type activities totaled \$10,204,957. Revenues exceeded expenses by \$96,323 prior to interest and miscellaneous income of \$496,293. This was due to a reduction in expense for pension costs.

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2023

Revenues

In 2023 the Village water rate charged to customers of \$10.81 per 1,000 Gallon remained unchanged. Water and Sewer Fund charges for services increased by \$88,227 or 1.11%.

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 2023 Solid Waste operating revenues increased by \$7,030 or 0.34%.

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 2023 increased by \$33,797 or 1959.25%. The Village plans to close this lot in 2024.

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 2023 increased by \$42,175. The fest admission fee was increased in 2023. Attendance at the fest is greatly affected by the weather.

Expenses

Total expenses for Water and Sewer Fund activities totaled \$7,921,922, a decrease of \$1,801,488, or 18.53% from prior year. In 2023 the Village saw reduced expenses for pension costs for the Municipal Employees Retirement Fund (MERF), as more employees are part of the IMRF pension plan.

Total expenses for Solid Waste Fund activities totaled \$2,107,326, an increase of \$304,527, or 16.89%, from prior year because of of administrative costs.

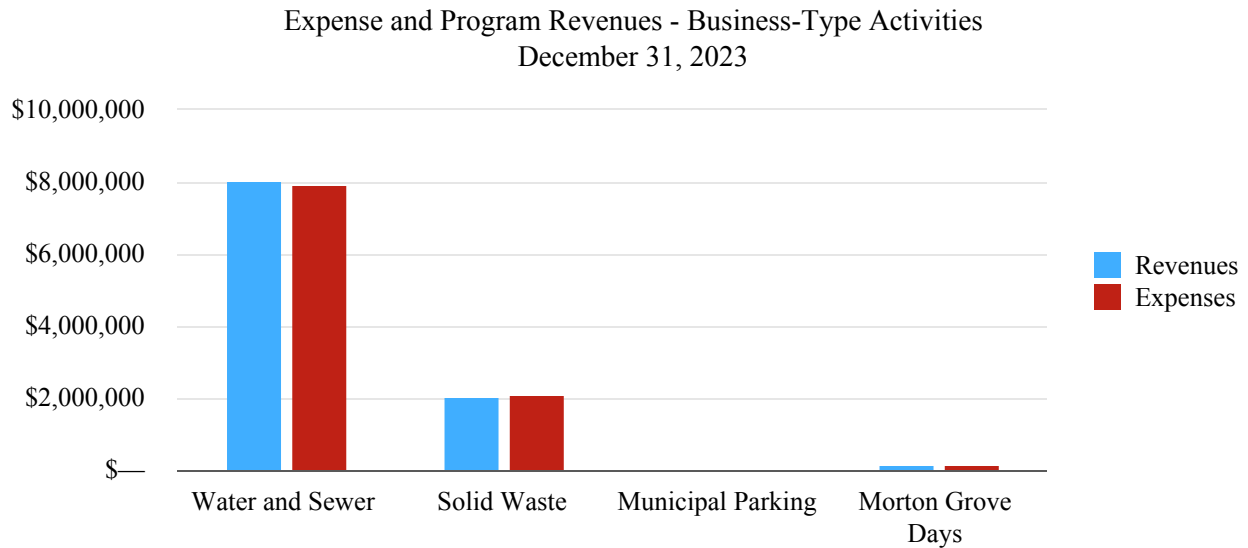
Total expenses from Municipal Parking Fund activities increased \$157. The Village is working toward developing this lot and will not be using it for parking in the future.

The expenses from the Morton Grove Days Fund were \$175,709 but will be reimbursed by the Morton Grove Days Commission.

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2023



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 \$48,390,353, which is an increase of \$6,789,183, from last year's total of \$41,601,170. This is due to the increase in General Fund revenues and other Governmental Funds maintaining consistent revenues.

General Fund: The General Fund reported a surplus for the year of \$1,806,768. Revenues were more than the budgeted amount and increased from the prior year largely due to increase investment revenue, the Village has increased reserve balances and interest rates have improved. Expenditures were also less than budget and decreased from the prior year. The Village remained conservative with expenditures but has been impacted by inflation.

The General Fund is the chief operating fund of the Village. At December 31, 2023, unassigned fund balance in the General Fund was \$16,342,984, which represents 99.87% 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 49.69% of total General Fund expenditures.

Lehigh Ferris TIF Fund: Reported a fund balance decrease of \$316,958. The Lehigh Ferris TIF expires at the end of 2024. The Village created Lincoln Lehigh TIF, which includes some parcels of land that were in the Lehigh Ferris TIF but have not yet been redeveloped. The Village will be completing projects in Lehigh Ferris as well as transferring funds for the additional projects.

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2023

Sawmill Station TIF Fund: Reported an increase of \$1,477,305 due to an increase in TIF property tax revenue and issuance of developer note, as well as a portion of sales tax generated by the development being pledged for debt retirement.

Lincoln Lehigh TIF Fund: Reported an increase of \$2,608,529 due to an increase in TIF property tax revenue and a transfer in from Lehigh/Ferris Tax Incremental Financing Fund.

Debt Service Fund: Reported a fund balance increase of \$951,596 because of the retirement of the non-TIF portion of the 2015 G.O. bonds in 2022.

Capital Projects Fund: Reported a fund balance increase of \$349,030 as a result of increased funding from the General Fund and investment revenue.

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, 2023, was \$66,856,565 (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			
	2023	2022	2023	2022	2023	2022
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	15,055	—	15,055	773,367
Buildings and Improvements	3,734,041	3,758,684	8,423,041	8,490,798	12,157,082	12,249,482
Machinery, Equipment and Vehicles	2,305,633	2,150,959	1,954,357	2,004,748	4,259,990	4,155,707
Infrastructure	6,151,699	4,432,344	—	—	6,151,699	4,432,344
Total	56,163,617	55,087,598	10,692,948	10,796,041	66,856,565	65,883,639

VILLAGE OF MORTON GROVE, ILLINOIS

Management Discussion and Analysis

December 31, 2023

LONG-TERM DEBT

At year-end, the Village had total outstanding debt of \$29,380,000, as compared to \$24,300,000 the previous year. In 2019 the Village issued \$18,635,000 of Sawmill Station TIF Revenue bonds and in 2023 the Village issued TIF Developer Note. Both of 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 Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds \$	2,825,200	3,832,400	1,614,800	1,832,600	4,440,000	5,665,000
TIF Revenue Bonds	18,140,000	18,635,000	—	—	18,140,000	18,635,000
TIF Developer Note	6,800,000	—	—	—	6,800,000	—
Total	27,765,200	22,467,400	1,614,800	1,832,600	29,380,000	24,300,000

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

The Village has seen continued economic growth in 2023 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. This money was used in 2023 for vehicles. The Village has used ARPA grant funds focusing on one-time expenditures such as public safety equipment and roads. These funds have allowed the Village to purchase large fire safety equipment that would have otherwise required the Village to obtain financing. 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, 2023

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Net Position

December 31, 2023

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Current Assets			
Cash and Investments	\$ 40,013,582	1,938,992	41,952,574
Receivables - Net of Allowances	18,403,987	5,329,312	23,733,299
Internal Balances	415,613	(415,613)	—
Prepays/Land Held for Resale	6,696,777	32,303	6,729,080
Total Current Assets	65,529,959	6,884,994	72,414,953
Noncurrent Assets			
Capital Assets			
Nondepreciable	43,972,244	315,550	44,287,794
Depreciable	64,848,071	23,402,705	88,250,776
Accumulated Depreciation	(52,656,698)	(13,025,307)	(65,682,005)
Total Capital Assets	56,163,617	10,692,948	66,856,565
Other Assets			
Net Pension Asset - SLEP	9,536	—	9,536
Total Noncurrent Assets	56,173,153	10,692,948	66,866,101
Total Assets	121,703,112	17,577,942	139,281,054
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	414,389	83,199	497,588
Deferred Items - SLEP	6,747	—	6,747
Deferred Items - MERF	296,996	247,452	544,448
Deferred Items - Police Pension	6,723,598	—	6,723,598
Deferred Items - Firefighters' Pension	4,820,295	—	4,820,295
Deferred Items - RBP	1,393,666	119,603	1,513,269
Total Deferred Outflows of Resources	13,655,691	450,254	14,105,945
Total Assets and Deferred Outflows of Resources	135,358,803	18,028,196	153,386,999

The notes to the financial statements are an integral part of this statement.

LIABILITIES	Primary Government		
	Governmental	Business-Type	Totals
	Activities	Activities	
Current Liabilities			
Accounts Payable	\$ 2,338,078	452,599	2,790,677
Accrued Payroll	283,164	30,768	313,932
Accrued Interest Payable	1,177,073	2,589	1,179,662
Deposits Payable	481,175	14,267	495,442
Other Liabilities	1,456,654	—	1,456,654
Current Portion of Long-Term Debt	1,887,572	252,224	2,139,796
Total Current Liabilities	7,623,716	752,447	8,376,163
Noncurrent Liabilities			
Compensated Absences Payable	865,488	93,696	959,184
Net Pension Liability - IMRF	479,174	96,206	575,380
Net Pension Liability - MERF	7,157,060	5,963,124	13,120,184
Net Pension Liability - Police Pension	39,046,017	—	39,046,017
Net Pension Liability - Firefighters' Pension	34,926,042	—	34,926,042
Total OPEB Liability - RBP	12,228,034	1,049,398	13,277,432
General Obligations Bonds Payable - Net	1,970,786	1,548,477	3,519,263
Tax Increment Financing Revenue Bonds Payable - Net	17,676,244	—	17,676,244
TIF Developer Note	6,800,000	—	6,800,000
Total Noncurrent Liabilities	121,148,845	8,750,901	129,899,746
Total Liabilities	128,772,561	9,503,348	138,275,909
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	12,580,535	—	12,580,535
Deferred Items - IMRF	100,425	20,163	120,588
Deferred Items - Police Pension	4,297,719	—	4,297,719
Deferred Items - Firefighters' Pension	1,931,797	—	1,931,797
Deferred Items - RBP	5,319,935	456,552	5,776,487
Deferred Items - Leases	—	4,141,701	4,141,701
Total Deferred Inflows of Resources	24,230,411	4,618,416	28,848,827
Total Liabilities and Deferred Inflows of Resources	153,002,972	14,121,764	167,124,736
NET POSITION			
Net Investment in Capital Assets	53,131,631	8,915,671	62,047,302
Restricted			
IMRF	31,426	—	31,426
Public Safety	2,092,554	—	2,092,554
Streets and Sidewalks	1,826,412	—	1,826,412
Economic Development	238,769	—	238,769
Community Development	21,317,646	—	21,317,646
Capital Improvements	1,907,285	—	1,907,285
Debt Service	(350,756)	—	(350,756)
Unrestricted (Deficit)	(97,839,136)	(5,009,239)	(102,848,375)
Total Net Position	(17,644,169)	3,906,432	(13,737,737)

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2023

	Expenses	Program Revenues	
		Charges for Services	Operating Grants/ Contributions
Governmental Activities			
General Government	\$ 4,316,451	3,603,781	2,464
Public Safety	21,802,542	980,386	140,890
Streets and Sidewalks	5,410,672	86,290	1,161,751
Vehicle and Maintenance	867,181	—	—
Health and Human Services	57,424	—	—
Community Development	7,224,445	—	—
Building and Inspection Services	1,193,462	—	—
Interest on Long-Term Debt	1,563,762	—	—
Total Governmental Activities	42,435,939	4,670,457	1,305,105
Business-Type Activities			
Water and Sewer	7,921,922	8,047,289	—
Solid Waste	2,107,326	2,078,726	—
Municipal Parking	—	35,522	—
Morton Grove Days	175,709	139,743	—
Total Business-Type Activities	10,204,957	10,301,280	—
Total Primary Government	52,640,896	14,971,737	1,305,105

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

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(710,206)	—	(710,206)
(20,681,266)	—	(20,681,266)
(4,162,631)	—	(4,162,631)
(867,181)	—	(867,181)
(57,424)	—	(57,424)
(7,224,445)	—	(7,224,445)
(1,193,462)	—	(1,193,462)
(1,563,762)	—	(1,563,762)
(36,460,377)	—	(36,460,377)
—	125,367	125,367
—	(28,600)	(28,600)
—	35,522	35,522
—	(35,966)	(35,966)
—	96,323	96,323
(36,460,377)	96,323	(36,364,054)
17,840,122	—	17,840,122
304,869	—	304,869
1,440,051	—	1,440,051
3,319,545	—	3,319,545
2,528,168	—	2,528,168
1,270,274	—	1,270,274
7,421,893	—	7,421,893
4,040,422	—	4,040,422
984,687	—	984,687
97,184	—	97,184
1,480,767	210,278	1,691,045
271,399	286,015	557,414
40,999,381	496,293	41,495,674
4,539,004	592,616	5,131,620
(22,183,173)	3,313,816	(18,869,357)
(17,644,169)	3,906,432	(13,737,737)

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MORTON GROVE, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2023

	General	Special Lehigh/ Ferris Tax Increment Financing
ASSETS		
Cash and Investments	\$ 12,983,787	3,257,066
Receivables - Net of Allowances		
Property Taxes	11,889,733	—
Other Taxes	2,495,339	—
Accounts	1,158,627	—
Loan to Developer	—	1,700,000
IRMA Excess Surplus	1,308,923	—
IPBC Terminal Reserve	1,571,358	—
Due from Other Funds	669,280	44,364
Prepays	192	—
Land Held for Resale	—	250,000
	<u>32,077,239</u>	<u>5,251,430</u>
Total Assets		
LIABILITIES		
Accounts Payable	1,500,879	22,986
Accrued Payroll	283,164	—
Deposits Payable	574,373	(100,000)
Other Liabilities	1,456,654	—
Due to Other Funds	7,370	—
Total Liabilities	<u>3,822,440</u>	<u>(77,014)</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	11,889,733	—
Total Liabilities and Deferred Inflows of Resources	<u>15,712,173</u>	<u>(77,014)</u>
FUND BALANCES		
Nonspendable	192	250,000
Restricted	21,890	5,078,444
Unassigned	16,342,984	—
Total Fund Balances	<u>16,365,066</u>	<u>5,328,444</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>32,077,239</u>	<u>5,251,430</u>

The notes to the financial statements are an integral part of this statement.

Revenue						
Sawmill Station Tax Increment Financing	Lincoln Lehigh Tax Increment Financing	Debt Service	Capital Projects	Nonmajor	Totals	
7,077,169	9,409,017	775,227	1,925,715	4,585,601	40,013,582	
—	—	690,802	—	—	12,580,535	
—	—	51,090	8,515	406,431	2,961,375	
3,450	—	—	—	—	1,162,077	
—	—	—	—	—	1,700,000	
—	—	—	—	—	1,308,923	
—	—	—	—	—	1,571,358	
—	—	—	—	7,370	721,014	
—	—	—	—	—	192	
—	3,566,304	—	—	—	3,816,304	
7,080,619	12,975,321	1,517,119	1,934,230	4,999,402	65,835,360	
250	199,018	—	26,945	588,000	2,338,078	
—	—	—	—	—	283,164	
6,802	—	—	—	—	481,175	
—	—	—	—	—	1,456,654	
44,364	—	—	—	253,667	305,401	
51,416	199,018	—	26,945	841,667	4,864,472	
—	—	690,802	—	—	12,580,535	
51,416	199,018	690,802	26,945	841,667	17,445,007	
—	3,566,304	—	—	—	3,816,496	
7,029,203	9,209,999	826,317	1,907,285	4,157,735	28,230,873	
—	—	—	—	—	16,342,984	
7,029,203	12,776,303	826,317	1,907,285	4,157,735	48,390,353	
7,080,619	12,975,321	1,517,119	1,934,230	4,999,402	65,835,360	

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MORTON GROVE, ILLINOIS

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

December 31, 2023

Total Governmental Fund Balances	\$ 48,390,353
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.	56,163,617
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - SLEP	9,536
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	313,964
Deferred Items - SLEP	6,747
Deferred Items - MERF	296,996
Deferred Items - Police Pension	2,425,879
Deferred Items - Firefighters' Pension	2,888,498
Deferred Items - RBP	(3,926,269)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,081,860)
Net Pension Liability - IMRF	(479,174)
Net Pension Liability - MERF	(7,157,060)
Net Pension Liability - Police Pension	(39,046,017)
Net Pension Liability - Firefighters' Pension	(34,926,042)
Total OPEB Liability - RBP	(12,228,034)
General Obligation Bonds Payable - Net	(3,031,986)
Tax Increment Financing Revenue Bonds Payable - Net	(18,286,244)
TIF Developer Note	(6,800,000)
Accrued Interest Payable	(1,177,073)
Net Position of Governmental Activities	<u><u>(17,644,169)</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MORTON GROVE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2023**

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, 2023

	General	Special Lehigh/ Ferris Tax Increment Financing
Revenues		
Taxes	\$ 18,140,999	3,982,945
Intergovernmental	12,235,503	—
Charges for Services	1,789,287	—
Licenses and Permits	1,814,494	—
Fines and Forfeitures	269,053	—
Investment Income	759,309	34,381
Miscellaneous	237,699	15,583
Total Revenues	<u>35,246,344</u>	<u>4,032,909</u>
Expenditures		
General Government	4,523,855	—
Public Safety	22,260,328	—
Streets and Sidewalks	3,459,697	—
Vehicle Maintenance	867,181	—
Health and Human Services	57,424	—
Community Development	280,750	262,510
Building and Inspection Services	1,440,341	—
Capital Outlay	—	502,053
Debt Service		
Principal Retirement	—	730,000
Interest and Fiscal Charges	—	67,304
Total Expenditures	<u>32,889,576</u>	<u>1,561,867</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,356,768</u>	<u>2,471,042</u>
Other Financing Sources (Uses)		
Debt Issuance	—	—
Transfers In	—	—
Transfers Out	(550,000)	(2,788,000)
	<u>(550,000)</u>	<u>(2,788,000)</u>
Net Change in Fund Balances	1,806,768	(316,958)
Fund Balances - Beginning	<u>14,558,298</u>	<u>5,645,402</u>
Fund Balances - Ending	<u><u>16,365,066</u></u>	<u><u>5,328,444</u></u>

The notes to the financial statements are an integral part of this statement.

Revenue					
Sawmill Station Tax Increment Financing	Lincoln Lehigh Tax Increment Financing	Debt Service	Capital Projects	Nonmajor	Totals
2,580,442	75,495	652,874	—	—	25,432,755
118,388	—	189,757	83,514	2,492,403	15,119,565
—	—	—	—	797,623	2,586,910
—	—	—	—	—	1,814,494
—	—	—	—	—	269,053
155,279	—	80,059	218,177	233,562	1,480,767
18,117	—	—	—	—	271,399
2,872,226	75,495	922,690	301,691	3,523,588	46,974,943
—	—	—	—	—	4,523,855
—	—	—	—	721,386	22,981,714
—	—	—	—	1,960,786	5,420,483
—	—	—	—	—	867,181
—	—	—	—	—	57,424
6,815,290	254,966	—	—	928,503	8,542,019
—	—	—	—	—	1,440,341
—	—	—	102,661	—	604,714
495,000	—	277,200	—	—	1,502,200
884,631	—	93,894	—	—	1,045,829
8,194,921	254,966	371,094	102,661	3,610,675	46,985,760
(5,322,695)	(179,471)	551,596	199,030	(87,087)	(10,817)
6,800,000	—	—	—	—	6,800,000
—	2,788,000	400,000	150,000	—	3,338,000
—	—	—	—	—	(3,338,000)
6,800,000	2,788,000	400,000	150,000	—	6,800,000
1,477,305	2,608,529	951,596	349,030	(87,087)	6,789,183
5,551,898	10,167,774	(125,279)	1,558,255	4,244,822	41,601,170
7,029,203	12,776,303	826,317	1,907,285	4,157,735	48,390,353

The notes to the financial statements are an integral part of this statement.

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, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ 6,789,183
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	1,922,288
Depreciation Expense	(846,269)
Disposals - Cost	(41,612)
Disposals - Accumulated Depreciation	41,612
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	7,575
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(271,691)
Change in Deferred Items - SLEP	(2,650)
Change in Deferred Items - MERF	(1,833)
Change in Deferred Items - Police Pension	521,605
Change in Deferred Items - Firefighters' Pension	(1,761,909)
Change in Deferred Items - RBP	1,088,579
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	(91,772)
Change in Net Pension Liability - IMRF	494,471
Change in Net Pension Liability - MERF	164,398
Change in Net Pension Liability - Police Pension	320,796
Change in Net Pension Liability - Firefighters' Pension	2,425,691
Change in Total OPEB Liability - RBP	(650,604)
Amortization of Premium on Debt Issuance	227,640
Amortization of Loss on Refunding	(22,752)
Issuance of Debt	(6,800,000)
Retirement of Debt	1,749,079
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.	
	(722,821)
Changes in Net Position of Governmental Activities	4,539,004

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Net Position - Proprietary Funds

December 31, 2023

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Net Position - Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ —	1,938,992	1,938,992
Receivables - Net of Allowances			
Accounts	949,362	49,170	998,532
Leases	4,330,780	—	4,330,780
Prepays	—	32,303	32,303
Total Current Assets	5,280,142	2,020,465	7,300,607
Noncurrent Assets			
Capital Assets			
Nondepreciable	315,550	—	315,550
Depreciable	23,402,705	—	23,402,705
Accumulated Depreciation	(13,025,307)	—	(13,025,307)
Total Noncurrent Assets	10,692,948	—	10,692,948
Total Assets	15,973,090	2,020,465	17,993,555
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	83,199	—	83,199
Deferred Items - MERF	247,452	—	247,452
Deferred Items - RBP	119,603	—	119,603
Total Deferred Outflows of Resources	450,254	—	450,254
Total Assets/Deferred Outflows of Resources	16,423,344	2,020,465	18,443,809

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 291,602	160,997	452,599
Accrued Payroll	30,768	—	30,768
Accrued Interest Payable	2,589	—	2,589
Deposits Payable	14,267	—	14,267
Due to Other Funds	277,261	138,352	415,613
Current Portion of Long-Term Debt	252,224	—	252,224
Total Current Liabilities	<u>868,711</u>	<u>299,349</u>	<u>1,168,060</u>
Noncurrent Liabilities			
Compensated Absences Payable	93,696	—	93,696
Net Pension Liability - IMRF	96,206	—	96,206
Net Pension Liability - MERF	5,963,124	—	5,963,124
Total OPEB Liability - RBP	1,049,398	—	1,049,398
General Obligations Bonds Payable - Net	1,548,477	—	1,548,477
Total Noncurrent Liabilities	<u>8,750,901</u>	<u>—</u>	<u>8,750,901</u>
Total Liabilities	<u>9,619,612</u>	<u>299,349</u>	<u>9,918,961</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	20,163	—	20,163
Deferred Items - RBP	456,552	—	456,552
Deferred Items - Leases	4,141,701	—	4,141,701
Total Deferred Inflows of Resources	<u>4,618,416</u>	<u>—</u>	<u>4,618,416</u>
Total Liabilities/Deferred Inflows of Resources	<u>14,238,028</u>	<u>299,349</u>	<u>14,537,377</u>
NET POSITION			
Net Investment in Capital Assets	8,915,671	—	8,915,671
Unrestricted (Deficit)	<u>(6,730,355)</u>	<u>1,721,116</u>	<u>(5,009,239)</u>
Total Net Position	<u>2,185,316</u>	<u>1,721,116</u>	<u>3,906,432</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MORTON GROVE, ILLINOIS

**Statement of Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2023**

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor	Totals
Operating Revenues			
Charges for Services	\$ 8,039,276	2,253,991	10,293,267
Operating Expenses			
Operations	7,315,937	2,283,035	9,598,972
Depreciation and Amortization	533,419	—	533,419
Total Operating Expenses	7,849,356	2,283,035	10,132,391
Operating Income (Loss)	189,920	(29,044)	160,876
Nonoperating Revenues (Expenses)			
Connection Fees	8,013	—	8,013
Investment Income	210,278	—	210,278
Other Income	286,015	—	286,015
Interest Expense	(72,566)	—	(72,566)
	431,740	—	431,740
Change in Net Position	621,660	(29,044)	592,616
Net Position - Beginning	1,563,656	1,750,160	3,313,816
Net Position - Ending	2,185,316	1,721,116	3,906,432

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MORTON GROVE, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2023**

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 6,404,951	2,255,896	8,660,847
Payments to Employees	1,300,689	—	1,300,689
Payments to Suppliers	(7,445,409)	(2,292,102)	(9,737,511)
	<u>260,231</u>	<u>(36,206)</u>	<u>224,025</u>
Cash Flows from Noncapital Financing Activities			
Interfund Loans	<u>277,261</u>	<u>35,966</u>	<u>313,227</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(457,404)	—	(457,404)
Interest Expense	(72,566)	—	(72,566)
Payment of Principal	(217,800)	—	(217,800)
	<u>(747,770)</u>	<u>—</u>	<u>(747,770)</u>
Cash Flows from Investing Activities			
Investment Income	<u>210,278</u>	<u>—</u>	<u>210,278</u>
Net Change in Cash and Cash Equivalents	—	(240)	(240)
Cash and Cash Equivalents - Beginning	<u>—</u>	<u>1,939,232</u>	<u>1,939,232</u>
Cash and Cash Equivalents - Ending	<u>—</u>	<u>1,938,992</u>	<u>1,938,992</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	189,920	(29,044)	160,876
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	533,419	—	533,419
Other Income	294,028	—	294,028
Other Expenses - Pension Related	(377,824)	—	(377,824)
(Increase) Decrease in Current Assets	(1,928,353)	1,905	(1,926,448)
Increase (Decrease) in Current Liabilities	1,549,041	(9,067)	1,539,974
Net Cash Provided by Operating Activities	<u>260,231</u>	<u>(36,206)</u>	<u>224,025</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Fiduciary Net Position

December 31, 2023

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 328,911
Investments	
Illinois Police Pension Investment Fund	45,372,818
Illinois Firefighters' Pension Investment Fund	47,100,553
Annuity Contracts	10,948,252
Money Market Mutual Funds	785,503
Receivables	
Accounts	1,871
Prepays	<u>9,289</u>
Total Assets	<u>104,547,197</u>
LIABILITIES	
Accounts Payable	<u>2,869</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>104,544,328</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended December 31, 2023

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 7,150,127
Contributions - Plan Members	1,413,975
Total Contributions	<u>8,564,102</u>
Investment Income	
Interest Earned	1,325,007
Net Change in Fair Value	10,646,826
	<u>11,971,833</u>
Less Investment Expenses	(133,943)
Net Investment Income	<u>11,837,890</u>
Total Additions	<u>20,401,992</u>
Deductions	
Administration	83,796
Benefits and Refunds	10,265,412
Total Deductions	<u>10,349,208</u>
Change in Fiduciary Net Position	10,052,784
Net Position Restricted for Pensions	
Beginning	<u>94,491,544</u>
Ending	<u><u>104,544,328</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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 accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are three fiduciary component units that are required to be included in the financial statements of the Village as pension trust funds and there are no discretely component units to include 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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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.”

Use of Estimates

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

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 NET POSITION

The following fund had a deficit net position as of the date of this report:

Fund	Deficit
Morton Grove Days	\$ 136,627

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures/expenses, net of depreciation over budget as of the date of this report:

Fund	Excess
Sawmill Station Tax Increment Financing	\$ 6,675,289
Morton Grove Days	15,709
Solid Waste	6,551
Police Pension	74,259
Firefighters' Pension	150,395

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 OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village

Deposits and Investments. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$9,589,664 and the bank balances totaled \$11,089,709. Additionally, at year-end the Village has \$19,898,447 invested in the Illinois Funds, \$287,936 invested in IMET, and \$11,082,088 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 AAAMmf by Standard and Poor's.

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 \$1,094,439 of the bank balance of the deposits was not covered by federal depository or equivalent insurance, and represents cash at paying agent for debt service payments.

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).

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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 \$10,948,252 represents 100% of the overall investment portfolio and are valued using significant other observable inputs to calculate the fair value measurement (Level 2 inputs).

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, 2023 are listed in the table above.

Rate of Return

For the year ended December 31, 2023, 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

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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 comprehensive financial report. For additional information on IPOPIF's investments, please refer to their annual comprehensive financial report, which can be obtained from IPOPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org.

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 \$321,276 and the bank balances totaled \$254,008. In addition, the Fund has \$406,679 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.

Investments. At year-end the Fund has \$45,372,818 invested in IPOPIF. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year-end. The fund may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

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, 2023, 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.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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 comprehensive financial report, which can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org.

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 \$7,635 and the bank balances totaled \$10,086. In addition, the Fund has \$378,824 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.

Investments. At year-end the Fund has \$47,100,553 invested in IFPIF. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year-end. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

Investment 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, 2023, 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.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES

Property taxes for 2022 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 was due January 10, 2023. 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. The development has generated enough revenue to pay the note in full.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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	773,367	—	773,367	—
	<u>44,745,611</u>	<u>—</u>	<u>773,367</u>	<u>43,972,244</u>
Depreciable Capital Assets				
Buildings and Improvements	20,359,165	279,023	—	20,638,188
Vehicles and Equipment	8,415,093	561,116	41,612	8,934,597
Infrastructure	33,419,770	1,855,516	—	35,275,286
	<u>62,194,028</u>	<u>2,695,655</u>	<u>41,612</u>	<u>64,848,071</u>
Less Accumulated Depreciation				
Buildings and Improvements	16,600,481	303,666	—	16,904,147
Vehicles and Equipment	6,264,134	406,442	41,612	6,628,964
Infrastructure	28,987,426	136,161	—	29,123,587
	<u>51,852,041</u>	<u>846,269</u>	<u>41,612</u>	<u>52,656,698</u>
Total Net Depreciable Capital Assets	<u>10,341,987</u>	<u>1,849,386</u>	<u>—</u>	<u>12,191,373</u>
Total Net Capital Assets	<u>55,087,598</u>	<u>1,849,386</u>	<u>773,367</u>	<u>56,163,617</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 361,579
Public Safety	346,729
Public Works	<u>137,961</u>
	<u>846,269</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 300,495	—	—	300,495
Construction in Progress	—	15,055	—	15,055
	<u>300,495</u>	<u>15,055</u>	<u>—</u>	<u>315,550</u>
Other Capital Assets				
Buildings and Improvements	18,467,827	234,723	—	18,702,550
Equipment	4,492,529	207,626	—	4,700,155
	<u>22,960,356</u>	<u>442,349</u>	<u>—</u>	<u>23,402,705</u>
Less Accumulated Depreciation				
Buildings and Improvements	9,977,029	302,480	—	10,279,509
Equipment	2,487,781	258,017	—	2,745,798
	<u>12,464,810</u>	<u>560,497</u>	<u>—</u>	<u>13,025,307</u>
Total Other Capital Assets	<u>10,495,546</u>	<u>(118,148)</u>	<u>—</u>	<u>10,377,398</u>
Total Capital Assets	<u><u>10,796,041</u></u>	<u><u>(103,093)</u></u>	<u><u>—</u></u>	<u><u>10,692,948</u></u>

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

Water and Sewer	<u><u>\$ 560,497</u></u>
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INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Lincoln Lehigh Tax Increment Financing	Lehigh/Ferris Tax Incremental Financing	\$ 2,788,000
Debt Service	General	400,000
Equipment Replacement	General	<u>150,000</u>
		<u><u>3,338,000</u></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, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND BALANCES

Interfund balances are advances in anticipation of receipts of cash shortages and the time lag between when transactions are recorded in the accounting system and payments between funds are made. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Water and Sewer	\$ 277,261
General	Nonmajor Governmental	253,667
General	Nonmajor Business-Type	138,352
Lehigh/Ferris Tax Increment Financing	Sawmill Station Tax Increment Financing	44,364
Nonmajor Governmental	General	<u>7,370</u>
		<u><u>721,014</u></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%
Cell Tower	25 Years	1/1/2023	\$37,250 to 75,722 Per Year	2.11%

During the fiscal year, the Village has recognized \$171,625 of lease revenue.

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

Fiscal Year	Principal	Interest
2024	\$ 72,403	104,927
2025	80,202	103,029
2026	88,405	100,929
2027	97,024	98,622
2028	106,073	96,095
2029-2033	682,666	434,044
2034-2038	985,755	330,852
2039-2043	1,368,026	185,077
2044-2048	850,226	41,258
	<u>4,330,780</u>	<u>1,494,833</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

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, 2023, the Village made total intergovernmental payments of \$246,879 from general (non-TIF) revenues.

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	\$ 1,500,000	—	730,000	770,000
\$5,455,000 General Obligation Refunding Bonds of 2019, due in annual installments of \$370,000 to \$745,000, plus interest at 2.00% to 5.00% through December 15, 2029.	Debt Service Water and Sewer	2,332,400	—	277,200	2,055,200
		1,832,600	—	217,800	1,614,800
		<u>5,665,000</u>	<u>—</u>	<u>1,225,000</u>	<u>4,440,000</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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 \$1,471,150 to \$1,932,125, including interest at 4.25% to 5.00% through January 1, 2039.	Sawmill Station Tax Increment Financing	\$ 18,635,000	—	495,000	18,140,000

TIF Developer Note

The Village issues TIF Developer Note for which the Village pledges income from specific revenue source to pay debt service. There is no formal repayment schedule for the TIF Developer Note because repayment is based on property and sales taxes generate by the TIF. TIF Developer Note currently outstanding is as follows:

	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$6,800,000 TIF Developer Note of 2019, due from TIF increment dollars, including interest at 6.50% through January 1, 2038.	Sawmill Station Tax Increment Financing	\$ —	6,800,000	—	6,800,000

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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	\$ 990,088	183,544	91,772	1,081,860	216,372
Net Pension Liability					
IMRF	973,645	—	494,471	479,174	—
MERF	7,321,458	—	164,398	7,157,060	—
Police Pension	39,366,813	—	320,796	39,046,017	—
Firefighters' Pension	37,351,733	—	2,425,691	34,926,042	—
Total OPEB Liability - RBP	11,577,430	650,604	—	12,228,034	—
General Obligation Bonds	3,832,400	—	1,007,200	2,825,200	1,061,200
Unamortized Bond Premium	425,286	—	218,500	206,786	—
Tax Increment Financing Revenue Bonds	18,635,000	—	495,000	18,140,000	610,000
Unamortized Bond Premium	155,384	—	9,140	146,244	—
TIF Developer Note	—	6,800,000	—	6,800,000	—
Intergovernmental Agreement Payable	246,879	—	246,879	—	—
	<u>120,876,116</u>	<u>7,634,148</u>	<u>5,473,847</u>	<u>123,036,417</u>	<u>1,887,572</u>
Business-Type Activities					
Compensated Absences	107,579	19,082	9,541	117,120	23,424
Net Pension Liability					
IMRF	178,136	—	81,930	96,206	—
MERF	6,100,097	—	136,973	5,963,124	—
Total OPEB Liability - RBP	1,110,072	—	60,674	1,049,398	—
General Obligation Bonds	1,832,600	—	217,800	1,614,800	228,800
Unamortized Bond Premium	189,556	—	27,079	162,477	—
	<u>9,518,040</u>	<u>19,082</u>	<u>533,997</u>	<u>9,003,125</u>	<u>252,224</u>

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liabilities, 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. The Tax Increment Financing Revenue Bonds and the TIF Developer Note are being paid by the Sawmill Station Tax Increment Financing.

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

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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
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	2,825,200	282,282	18,140,000	8,574,482	1,614,800	197,592

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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, 2023:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 56,163,617
Less Capital Related Debt:	
General Obligation Bond of 2015	(770,000)
General Obligation Refunding Bond of 2019	(2,055,200)
Unamortized Bond Premium	<u>(206,786)</u>
Net Investment in Capital Assets	<u>53,131,631</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	10,692,948
Less Capital Related Debt:	
General Obligation Refunding Bond of 2019	(1,614,800)
Unamortized Bond Premium	<u>(162,477)</u>
Net Investment in Capital Assets	<u>8,915,671</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

	Special Revenue							Totals
	General	Lehigh/ Ferris Tax Increment Financing	Sawmill Station Tax Increment Financing	Lincoln Lehigh Tax Increment Financing	Debt Service	Capital Projects	Nonmajor	
Nonspendable								
Prepays	\$ 192	—	—	—	—	—	—	192
Land Held for Resale	—	250,000	—	3,566,304	—	—	—	3,816,304
	192	250,000	—	3,566,304	—	—	—	3,816,496
Restricted								
IMRF	21,890	—	—	—	—	—	—	21,890
Public Safety	—	—	—	—	—	—	2,092,554	2,092,554
Streets and Sidewalks	—	—	—	—	—	—	1,826,412	1,826,412
Economic Development	—	—	—	—	—	—	238,769	238,769
Community Development	—	5,078,444	7,029,203	9,209,999	—	—	—	21,317,646
Debt Service	—	—	—	—	826,317	—	—	826,317
Capital Improvements	—	—	—	—	—	1,907,285	—	1,907,285
	21,890	5,078,444	7,029,203	9,209,999	826,317	1,907,285	4,157,735	28,230,873
Unassigned	16,342,984	—	—	—	—	—	—	16,342,984
Total Fund Balances	16,365,066	5,328,444	7,029,203	12,776,303	826,317	1,907,285	4,157,735	48,390,353

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; natural disasters; and injuries to the Village’s employees. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Intergovernmental Risk Management Agency

The Village also participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special Villages in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperations 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; 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, 2023

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 about 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 the Agency beyond its representation on the Board of Directors. Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

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, 2023. The Village has recorded a prepaid for the excess surplus balance of \$1,309,123 in the General Fund as of December 31, 2023.

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, 2023 (most recent available) of \$1,571,358. 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

From time to time, the Village is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

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, 2023

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 \$614,592 for year ended December 31, 2023.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURES

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 \$464,326 to SWANCC in 2023, which includes payment for debt contribution. The Village does not have an equity interest in SWANCC at December 31, 2023.

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 \$38,694 a month or \$464,326 a year.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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 \$3,946,800 in 2023. At December 31, 2023 the outstanding receivable of \$7,188,778 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 Expenses/ (Revenues)	Net Pension Liabilities/ (Asset)	Deferred Outflows	Deferred Inflows
IMRF				
Village	\$ 93,311	575,380	497,588	120,588
SLEP	(4,925)	(9,536)	6,747	—
MERF	875,989	13,120,184	544,448	—
Police Pension	2,319,264	39,046,017	6,723,598	4,297,719
Firefighters' Pension	2,150,679	34,926,042	4,820,295	1,931,797
	<u>5,434,318</u>	<u>87,658,087</u>	<u>12,592,676</u>	<u>6,350,104</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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, 2023

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, 2023, the measurement date, the following employees were covered by the benefit terms:

	Regular Plan	SLEP Plan
Inactive Plan Members Currently Receiving Benefits	23	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	69	—
Active Plan Members	84	—
Total	<u>176</u>	<u>2</u>

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, 2023, the Village's contribution was 7.13% 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, 2023, 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, 2023. 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, 2023

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, 2023, 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 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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	24.50%	4.75%
Domestic Equities	34.50%	5.00%
International Equities	18.00%	6.35%
Real Estate	10.50%	6.30%
Blended	11.50%	6.05% - 8.65%
Cash and Cash Equivalents	1.00%	3.80%

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/(asset) to changes in the discount rate. The table below presents the pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(asset) 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/(Asset)			
Village	\$ 2,048,448	575,380	(524,103)
Library	548,641	154,105	(140,372)
Totals	2,597,089	729,485	(664,475)

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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	\$ 443,577	118,804	562,381
Interest on the Total Pension Liability	781,387	174,956	956,343
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(51,023)	(13,666)	(64,689)
Changes of Assumptions	(17,364)	(4,651)	(22,015)
Benefit Payments, including Refunds of Employee Contributions	(178,826)	(47,895)	(226,721)
Net Change in Total Pension Liability	977,751	227,548	1,205,299
Total Pension Liability - Beginning	9,713,922	3,309,184	13,023,106
Total Pension Liability - Ending	10,691,673	3,536,732	14,228,405
Plan Fiduciary Net Position			
Contributions - Employer	353,907	94,788	448,695
Contributions - Employees	230,459	61,725	292,184
Net Investment Income	941,529	252,172	1,193,701
Benefit Payments, including Refunds of Employee Contributions	(178,826)	(47,895)	(226,721)
Other (Net Transfer)	207,083	55,464	262,547
Net Change in Plan Fiduciary Net Position	1,554,152	416,254	1,970,406
Plan Net Position - Beginning	8,562,141	2,966,373	11,528,514
Plan Net Position - Ending	10,116,293	3,382,627	13,498,920
Employer's Net Pension Liability	575,380	154,105	729,485

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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, 2022	\$ 104,278	106,239	(1,961)
Changes for the Year:			
Service Cost	—	—	—
Interest on the Total Pension Liability	7,221	—	7,221
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	1,379	—	1,379
Changes of Assumptions	(178)	—	(178)
Contributions - Employer	—	—	—
Contributions - Employees	—	—	—
Net Investment Income	—	12,681	(12,681)
Benefit Payments, Including Refunds of Employee Contributions	(9,366)	(9,366)	—
Other (Net Transfer)	—	3,316	(3,316)
Net Changes	(944)	6,631	(7,575)
Balances at December 31, 2023	103,334	112,870	(9,536)

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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, 2023, the Village recognized pension expense of \$93,311 for the Regular Plan and pension revenue of \$4,925 for the SLEP Plan. The Library recognized \$11,312 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	\$ 57,770	(79,157)	15,473	(21,201)	(27,115)
Change in Assumptions	—	(41,431)		(11,096)	(52,527)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	439,818	—	117,798	—	557,616
Total Deferred Amounts Related to IMRF	497,588	(120,588)	133,271	(32,297)	477,974

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	6,747	—	6,747
Total Deferred Amounts Related to IMRF	6,747	—	6,747

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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	
2024	\$ 60,241	16,135	76,376	330
2025	132,670	35,534	168,204	2,289
2026	253,285	67,838	321,123	5,166
2027	(68,313)	(18,297)	(86,610)	(1,038)
2028	(883)	(236)	(1,119)	—
Thereafter	—	—	—	—
Totals	377,000	100,974	477,974	6,747

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, 2023

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, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	37
Inactive Plan Members Entitled to but not yet Receiving Benefits	13
Active Plan Members	<u>11</u>
Total	<u><u>61</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, 2023 was 110.18% of covered payroll.

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

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2023, 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, 2023

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	\$ 15,831,512	13,120,184	10,824,360

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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, 2022	\$ 23,823,271	10,401,716	13,421,555
Changes for the Year:			
Service Cost	248,614	—	248,614
Interest on the Total Pension Liability	1,058,542	—	1,058,542
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(204,971)	—	(204,971)
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,174,001	(1,174,001)
Contributions - Employees	—	21,311	(21,311)
Net Investment Income	—	208,244	(208,244)
Benefit Payments, Including Refunds of Employee Contributions	(1,097,441)	(1,097,441)	—
Other (Net Transfer)	—	—	—
Net Changes	4,744	306,115	(301,371)
Balances at December 31, 2023	23,828,015	10,707,831	13,120,184

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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, 2023, the Village recognized pension expense of \$875,989. At December 31, 2023, 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	544,448	—	544,448
Total Deferred Amounts Related to IMRF	544,448	—	544,448

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
2024	\$ 216,763
2025	165,628
2026	109,650
2027	52,407
2028	—
Thereafter	—
Total	544,448

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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, 2023, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	57
Inactive Plan Members Entitled to but not yet Receiving Benefits	9
Active Plan Members	<u>45</u>
Total	<u><u>111</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, 2023

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 ½ 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., ½ 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 ½ of the change in the Consumer Price Index for the preceding 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, 2023, the Village's contribution was 66.27% 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, 2023

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, 2023, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.75%
Salary Increases	3.75% - 12.93%
Adjustments	3.00%
Inflation	2.50%

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, 2023

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 \$	50,370,862	39,046,017	29,760,979

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2022	\$ 81,044,420	41,677,607	39,366,813
Changes for the Year:			
Service Cost	1,033,150	—	1,033,150
Interest on the Total Pension Liability	5,582,212	—	5,582,212
Changes of Benefit Terms	164,878	—	164,878
Difference Between Expected and Actual Experience of the Total Pension Liability	1,987,864	—	1,987,864
Changes of Assumptions	—	—	—
Contributions - Employer	—	3,161,665	(3,161,665)
Contributions - Employees	—	637,665	(637,665)
Net Investment Income	—	5,322,430	(5,322,430)
Benefit Payments, Including Refunds of Employee Contributions	(4,663,373)	(4,663,373)	—
Other (Net Transfer)	—	(32,860)	32,860
Net Changes	4,104,731	4,425,527	(320,796)
Balances at December 31, 2023	85,149,151	46,103,134	39,046,017

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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, 2023, the Village recognized pension expense of \$2,319,264. At December 31, 2023, 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	\$ 4,715,503	(1,070,217)	3,645,286
Change in Assumptions	349,509	(3,227,502)	(2,877,993)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,658,586	—	1,658,586
Total Deferred Amounts Related to Police Pension	<u>6,723,598</u>	<u>(4,297,719)</u>	<u>2,425,879</u>

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
2024	\$ (90,246)
2025	487,650
2026	1,571,957
2027	125,207
2028	331,311
Thereafter	<u>—</u>
Total	<u><u>2,425,879</u></u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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, 2023, 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	3
Active Plan Members	<u>39</u>
Total	<u><u>98</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 ½ 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, 2023

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 ½ 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., ½ 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 ½ 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, 2023, the Village's contribution was 64.71% 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, 2023

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, 2023, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5-Year Smoothed Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.50% - 8.50%
Cost of Living Adjustments	2.25%
Inflation	2.50%

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, 2023

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	\$ 45,662,760	34,926,042	26,077,327

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2022	\$ 79,647,796	42,296,063	37,351,733
Changes for the Year:			
Service Cost	1,093,258	—	1,093,258
Interest on the Total Pension Liability	5,501,277	—	5,501,277
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	477,543	—	477,543
Changes of Assumptions	—	—	—
Contributions - Employer	—	2,814,461	(2,814,461)
Contributions - Employees	—	428,222	(428,222)
Net Investment Income	—	6,306,022	(6,306,022)
Benefit Payments, Including Refunds of Employee Contributions	(4,302,762)	(4,302,762)	—
Other (Net Transfer)	—	(50,936)	50,936
Net Changes	2,769,316	5,195,007	(2,425,691)
Balances at December 31, 2023	82,417,112	47,491,070	34,926,042

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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, 2023, the Village recognized pension expense of \$2,150,679. December 31, 2023, 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	\$ 2,099,590	(1,593,140)	506,450
Change in Assumptions	161,073	(338,657)	(177,584)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,559,632	—	2,559,632
Total Deferred Amounts Related to Firefighters' Pension	<u>4,820,295</u>	<u>(1,931,797)</u>	<u>2,888,498</u>

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
2024	\$ 165,991
2025	1,138,689
2026	2,168,546
2027	(584,728)
2028	—
Thereafter	—
Total	<u>2,888,498</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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, 2023, 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, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2023 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, 2023

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	4.00%
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, 2022	\$ 12,687,502
Changes for the Year:	
Service Cost	351,726
Interest on the Total OPEB Liability	547,612
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	364,910
Benefit Payments	(674,318)
Net Changes	589,930
Balance at December 31, 2023	13,277,432

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements

December 31, 2023

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 4.00%, while the prior valuation used 4.31%. 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 (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	\$ 14,572,663	13,277,432	12,154,633

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	\$ 10,613,528	13,277,432	17,110,727

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

For the year ended December 31, 2023, the Village recognized OPEB expense of \$2,481,346. At December 31, 2023, 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, 2023

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	\$ —	(2,824,301)	(2,824,301)
Change in Assumptions	1,513,269	(2,952,186)	(1,438,917)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	<u>1,513,269</u>	<u>(5,776,487)</u>	<u>(4,263,218)</u>

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
2024	\$ (960,521)
2025	(439,652)
2026	(1,182,719)
2027	(930,649)
2028	(420,558)
Thereafter	<u>(329,119)</u>
Total	<u>(4,263,218)</u>

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, 2023

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	Totals	\$ 289,298	\$ 289,298	\$ —	\$ 3,950,495	7.32%
2016	Totals	379,476	379,476	—	3,994,494	9.50%
2017	Totals	399,637	402,175	2,538	4,381,980	9.18%
2018	Totals	436,714	436,714	—	4,767,619	9.16%
2019	Totals	380,669	380,669	—	4,960,169	7.67%
2020	Totals	441,898	441,898	—	5,229,483	8.45%
2021	Totals	443,864	443,864	—	5,446,179	8.15%
2022	Totals	439,875	439,875	—	5,880,690	7.48%
2023	Village	353,907	353,907	—	4,963,637	7.13%
	Library	94,788	94,788	—	1,329,424	7.13%
	Total	448,695	448,695	—	6,293,061	7.13%

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	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, 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, 2023**

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%
2023	—	—	—	—	0.00%

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	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, 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, 2023**

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%
2023	1,174,001	1,174,001	—	1,065,550	110.18%

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-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

Police Pension Fund

Schedule of Employer Contributions

December 31, 2023

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%
2023	3,180,414	3,161,665	(18,749)	4,770,807	66.27%

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	6.75%
Retirement Age	50-70
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment, projected to the valuation date.

VILLAGE OF MORTON GROVE, ILLINOIS

**Firefighters' Pension Fund
Schedule of Employer Contributions
December 31, 2023**

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%
2023	2,821,369	2,814,461	(6,908)	4,349,254	64.71%

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	2.50%
Salary Increases	3.50% - 8.50%
Investment Rate of Return	7.00%
Mortality Rates	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

VILLAGE OF MORTON GROVE, ILLINOIS

Illinois Municipal Retirement Fund

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

December 31, 2023

	12/31/2015	12/31/2016	12/31/2017	12/31/2018
Total Pension Liability				
Service Cost	\$ 429,566	434,382	457,409	455,106
Interest	409,549	455,091	514,005	555,728
Changes in Benefit Terms	—	—	—	—
Differences Between				
Expected and Actual Experience	(186,773)	8,925	(39,758)	101,443
Change of Assumptions	—	(10,936)	(230,696)	317,739
Benefit Payments, Including Refunds of Member Contributions	(39,656)	(53,756)	(189,365)	(97,670)
Net Change in Total Pension Liability	612,686	833,706	511,595	1,332,346
Total Pension Liability - Beginning	5,272,987	5,885,673	6,719,379	7,230,974
Total Pension Liability - Ending	5,885,673	6,719,379	7,230,974	8,563,320
Plan Fiduciary Net Position				
Contributions - Employer	\$ 389,954	379,476	402,175	436,714
Contributions - Members	177,773	179,752	201,543	214,543
Net Investment Income	22,516	316,372	832,655	(214,824)
Benefit Payments, Including Refunds of Member Contributions	(39,656)	(53,756)	(189,365)	(97,670)
Other (Net Transfer)	(242,491)	(54,719)	21,236	(7,504)
Net Change in Plan Fiduciary Net Position	308,096	767,125	1,268,244	331,259
Plan Net Position - Beginning	4,239,209	4,547,305	5,314,430	6,582,674
Plan Net Position - Ending	4,547,305	5,314,430	6,582,674	6,913,933
Employer's Net Pension Liability/(Asset)	\$ 1,338,368	1,404,949	648,300	1,649,387
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.26%	79.09%	91.03%	80.74%
Covered Payroll	\$ 3,950,495	3,994,494	4,381,980	4,767,619
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	33.88%	35.17%	14.79%	34.60%

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
12/31/2019	12/31/2020	12/31/2021	12/31/2022		12/31/2023	
499,164	501,927	504,672	539,087	443,577	118,804	562,381
635,548	704,489	786,255	872,252	781,387	174,956	956,343
—	—	—	—	—	—	—
(76,652)	222,835	52,058	(64,299)	(51,023)	(13,666)	(64,689)
—	(152,482)	—	—	(17,364)	(4,651)	(22,015)
(93,474)	(123,548)	(177,134)	(170,912)	(178,826)	(47,895)	(226,721)
964,586	1,153,221	1,165,851	1,176,128	977,751	227,548	1,205,299
8,563,320	9,527,906	10,681,127	11,846,978	9,713,922	3,309,184	13,023,106
9,527,906	10,681,127	11,846,978	13,023,106	10,691,673	3,536,732	14,228,405
378,956	441,898	443,864	439,875	353,907	94,788	448,695
223,207	235,332	245,079	264,631	230,459	61,725	292,184
1,153,230	1,112,644	1,571,523	(1,165,905)	941,529	252,172	1,193,701
(93,474)	(123,548)	(177,134)	(170,912)	(178,826)	(47,895)	(226,721)
(25,673)	12,848	(84,654)	(67,206)	207,083	55,464	262,547
1,636,246	1,679,174	1,998,678	(699,517)	1,554,152	416,254	1,970,406
6,913,933	8,550,179	10,229,353	12,228,031	8,562,141	2,966,373	11,528,514
8,550,179	10,229,353	12,228,031	11,528,514	10,116,293	3,382,627	13,498,920
977,727	451,774	(381,053)	1,494,592	575,380	154,105	729,485
89.74%	95.77%	103.22%	88.52%	94.62%	95.64%	94.87%
4,960,169	5,229,483	5,446,179	5,880,690	4,963,637	1,329,424	6,293,061
19.71%	8.64%	(7.00%)	25.42%	11.59%	11.59%	11.59%

VILLAGE OF MORTON GROVE, ILLINOIS

Sheriff's Law Enforcement Personnel Plan

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

December 31, 2023

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ —	—	7,593
Interest	7,550	7,564	—
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	830	885	934
Change of Assumptions	415	(509)	(2,603)
Benefit Payments, Including Refunds of Member Contributions	(7,982)	(8,154)	(8,319)
Net Change in Total Pension Liability	813	(214)	(2,395)
Total Pension Liability - Beginning	104,794	105,607	105,393
Total Pension Liability - Ending	105,607	105,393	102,998
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,005	883	309
Contributions - Members	—	—	—
Net Investment Income	495	6,953	20,468
Benefit Payments, Including Refunds of Member Contributions	(7,982)	(8,154)	(8,319)
Other (Net Transfer)	5,184	768	(2,199)
Net Change in Plan Fiduciary Net Position	(1,298)	450	10,259
Plan Net Position - Beginning	102,524	101,226	101,676
Plan Net Position - Ending	101,226	101,676	111,935
Employer's Net Pension Liability/(Asset)	\$ 4,381	3,717	(8,937)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.85%	96.47%	108.68%
Covered Payroll	\$ —	—	—
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	0.00%	0.00%	0.00%

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.

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
—	—	—	—	—	—
7,406	7,317	7,296	7,314	7,273	7,221
—	—	—	—	—	—
1,039	1,146	1,235	1,208	1,283	1,379
2,304	—	648	—	—	(178)
(8,491)	(8,666)	(8,839)	(9,010)	(9,183)	(9,366)
2,258	(203)	340	(488)	(627)	(944)
102,998	105,256	105,053	105,393	104,905	104,278
105,256	105,053	105,393	104,905	104,278	103,334
218	—	170	—	—	—
—	—	—	—	—	—
(9,000)	21,207	17,609	22,914	(21,472)	12,681
(8,491)	(8,666)	(8,839)	(9,010)	(9,183)	(9,366)
3,305	633	1,880	318	711	3,316
(13,968)	13,174	10,820	14,222	(29,944)	6,631
111,935	97,967	111,141	121,961	136,183	106,239
97,967	111,141	121,961	136,183	106,239	112,870
7,289	(6,088)	(16,568)	(31,278)	(1,961)	(9,536)
93.07%	105.80%	115.72%	129.82%	101.88%	109.23%
—	—	—	—	—	—
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, 2023

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 283,482	287,787	179,636
Interest	868,067	1,237,559	1,206,931
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(745,910)	1,426,704	(627,124)
Change of Assumptions	7,685,672	(499,817)	(3,827,913)
Benefit Payments, Including Refunds of Member Contributions	(1,213,649)	(534,905)	(647,877)
Net Change in Total Pension Liability	6,877,662	1,917,328	(3,716,347)
Total Pension Liability - Beginning	18,959,198	25,836,860	27,754,188
Total Pension Liability - Ending	25,836,860	27,754,188	24,037,841
Plan Fiduciary Net Position			
Contributions - Employer	\$ 921,727	969,391	1,298,923
Contributions - Members	44,270	41,532	41,076
Net Investment Income	215,747	235,292	196,453
Benefit Payments, Including Refunds of Member Contributions	(1,213,649)	(534,905)	(647,877)
Administrative Expense	—	—	—
Net Change in Plan Fiduciary Net Position	(31,905)	711,310	888,575
Plan Net Position - Beginning	8,338,149	8,306,244	9,017,554
Plan Net Position - Ending	8,306,244	9,017,554	9,906,129
Employer's Net Pension Liability	\$ 17,530,616	18,736,634	14,131,712
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.15%	32.49%	41.21%
Covered Payroll	\$ 2,044,912	2,237,893	2,299,435
Employer's Net Pension Liability as a Percentage of Covered Payroll	857.28%	837.24%	614.57%

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

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
187,540	151,748	413,276	272,631	303,357	248,614
1,032,847	1,026,174	1,049,975	1,018,303	943,861	1,058,542
—	—	—	—	—	—
(667,891)	518,148	(1,417,988)	1,225,934	2,351,117	(204,971)
(281,528)	983,788	—	(2,489,368)	—	—
(1,128,079)	(753,736)	(984,372)	(3,077,519)	(892,788)	(1,097,441)
(857,111)	1,926,122	(939,109)	(3,050,019)	2,705,547	4,744
24,037,841	23,180,730	25,106,852	24,167,743	21,117,724	23,823,271
23,180,730	25,106,852	24,167,743	21,117,724	23,823,271	23,828,015
1,409,558	1,116,194	1,140,546	1,166,015	1,218,384	1,174,001
36,311	34,885	40,600	28,170	32,045	21,311
210,246	235,316	246,769	195,694	221,348	208,244
(1,128,079)	(753,736)	(984,372)	(3,077,519)	(892,788)	(1,097,441)
—	—	—	—	—	—
528,036	632,659	443,543	(1,687,640)	578,989	306,115
9,906,129	10,434,165	11,066,824	11,510,367	9,822,727	10,401,716
10,434,165	11,066,824	11,510,367	9,822,727	10,401,716	10,707,831
12,746,565	14,040,028	12,657,376	11,294,997	13,421,555	13,120,184
45.01%	44.08%	47.63%	46.51%	43.66%	44.94%
1,744,800	1,756,617	1,726,023	1,685,968	1,602,250	1,065,550
730.55%	799.27%	733.33%	669.94%	837.67%	1231.31%

VILLAGE OF MORTON GROVE, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2023

	12/31/2014	12/31/2015	12/31/2016
Total Pension Liability			
Service Cost	\$ 999,888	1,204,804	1,307,855
Interest	4,067,424	3,656,752	4,075,261
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	1,780,289	4,148,200	87,939
Change of Assumptions	—	3,982,348	3,094,358
Benefit Payments, Including Refunds of Member Contributions	(3,284,173)	(3,335,184)	(3,426,586)
Net Change in Total Pension Liability	3,563,428	9,656,920	5,138,827
Total Pension Liability - Beginning	55,964,162	59,527,590	69,184,510
Total Pension Liability - Ending	59,527,590	69,184,510	74,323,337
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,746,014	1,819,397	2,090,649
Contributions - Members	399,590	412,809	429,569
Net Investment Income	1,972,181	(160,038)	2,247,993
Benefit Payments, Including Refunds of Member Contributions	(3,284,173)	(3,335,184)	(3,426,586)
Administrative Expenses	(47,891)	(42,462)	(38,664)
Net Change in Plan Fiduciary Net Position	785,721	(1,305,478)	1,302,961
Plan Net Position - Beginning	31,379,333	32,165,054	30,859,576
Plan Net Position - Ending	32,165,054	30,859,576	32,162,537
Employer's Net Pension Liability	\$ 27,362,536	38,324,934	42,160,800
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.03%	44.60%	43.27%
Covered Payroll	\$ 4,017,422	4,131,663	4,363,550
Employer's Net Pension Liability as a Percentage of Covered Payroll	681.10%	927.59%	966.20%

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.

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
1,386,849	1,253,363	1,275,666	1,122,225	1,162,292	1,036,423	1,033,150
4,383,166	4,559,077	4,704,702	4,679,886	5,114,734	5,340,320	5,582,212
—	—	540,254	—	—	—	164,878
60,088	455,002	1,328,505	2,143,581	(2,129,838)	2,931,650	1,987,864
(3,467,390)	1,299,164	856,322	(7,716,150)	—	(1,181,027)	—
(3,508,718)	(3,660,559)	(3,856,789)	(4,286,231)	(4,431,874)	(4,673,610)	(4,663,372)
(1,146,005)	3,906,047	4,848,660	(4,056,689)	(284,686)	3,453,756	4,104,732
74,323,337	73,177,332	77,083,379	81,932,039	77,875,350	77,590,664	81,044,420
73,177,332	77,083,379	81,932,039	77,875,350	77,590,664	81,044,420	85,149,152
2,309,955	2,695,291	2,796,467	2,866,069	3,128,661	3,321,919	3,161,665
446,618	465,264	562,561	546,002	608,088	481,043	637,665
3,925,557	(1,247,471)	5,536,105	5,486,429	5,745,538	(5,461,227)	5,322,430
(3,508,718)	(3,660,559)	(3,856,789)	(4,286,231)	(4,431,874)	(4,673,610)	(4,663,372)
(39,863)	(42,905)	(63,298)	(39,103)	(50,408)	(44,441)	(32,860)
3,133,549	(1,790,380)	4,975,046	4,573,166	5,000,005	(6,376,316)	4,425,528
32,162,537	35,296,086	33,505,706	38,480,752	43,053,918	48,053,923	41,677,607
35,296,086	33,505,706	38,480,752	43,053,918	48,053,923	41,677,607	46,103,135
37,881,246	43,577,673	43,451,287	34,821,432	29,536,741	39,366,813	39,046,017
48.23%	43.47%	46.97%	55.29%	61.93%	51.43%	54.14%
4,516,274	4,574,078	4,806,496	4,957,898	5,459,135	4,854,117	4,770,807
838.77%	952.71%	904.01%	702.34%	541.05%	811.00%	818.44%

VILLAGE OF MORTON GROVE, ILLINOIS

**Firefighter's Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2023**

	12/31/2014	12/31/2015	12/31/2016
Total Pension Liability			
Service Cost	\$ 1,067,954	1,356,812	1,330,866
Interest	3,811,312	3,181,468	3,963,235
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(661,128)	928,412	1,812,111
Change of Assumptions	—	11,295,766	1,479,863
Benefit Payments, Including Refunds of Member Contributions	(2,406,899)	(2,530,110)	(2,721,910)
Net Change in Total Pension Liability	1,811,239	14,232,348	5,864,165
Total Pension Liability - Beginning	52,834,148	54,645,387	68,877,735
Total Pension Liability - Ending	54,645,387	68,877,735	74,741,900
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,914,705	1,949,493	2,165,900
Contributions - Members	376,279	387,408	384,004
Net Investment Income	1,695,835	363,152	2,091,840
Benefit Payments, Including Refunds of Member Contributions	(2,441,253)	(2,530,110)	(2,721,910)
Administrative Expenses	(42,228)	(60,860)	(69,879)
Net Change in Plan Fiduciary Net Position	1,503,338	109,083	1,849,955
Plan Net Position - Beginning	28,456,082	29,959,420	30,068,503
Plan Net Position - Ending	29,959,420	30,068,503	31,918,458
Employer's Net Pension Liability	\$ 24,685,967	38,809,232	42,823,442
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.83%	43.65%	42.70%
Covered Payroll	\$ 3,707,686	4,101,744	4,000,016
Employer's Net Pension Liability as a Percentage of Covered Payroll	665.81%	946.16%	1070.58%

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.

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
1,408,988	1,269,097	1,181,800	1,150,422	1,086,620	1,046,176	1,093,258
4,297,744	4,498,745	4,722,128	4,967,267	4,929,221	5,138,339	5,501,277
—	—	249,141	—	—	—	—
45,639	594,173	(464,577)	225,642	(3,805,756)	2,822,579	477,543
(3,623,699)	(2,526,497)	(3,595,005)	—	—	268,456	—
(3,052,990)	(3,213,171)	(3,359,746)	(3,504,222)	(3,877,766)	(3,972,852)	(4,302,762)
(924,318)	622,347	(1,266,259)	2,839,109	(1,667,681)	5,302,698	2,769,316
74,741,900	73,817,582	74,439,929	73,173,670	76,012,779	74,345,098	79,647,796
73,817,582	74,439,929	73,173,670	76,012,779	74,345,098	79,647,796	82,417,112
2,291,587	2,660,276	2,770,449	2,856,837	2,945,324	3,547,972	2,814,461
381,401	398,444	407,251	412,917	408,782	402,233	428,222
4,195,751	(1,486,352)	6,182,115	5,927,901	4,786,877	(7,417,757)	6,306,022
(3,052,990)	(3,213,171)	(3,359,746)	(3,504,222)	(3,877,766)	(3,972,852)	(4,302,762)
(43,591)	(38,658)	(38,489)	(40,260)	(82,652)	(70,006)	(50,936)
3,772,158	(1,679,461)	5,961,580	5,653,173	4,180,565	(7,510,410)	5,195,007
31,918,458	35,690,616	34,011,155	39,972,735	45,625,908	49,806,473	42,296,063
35,690,616	34,011,155	39,972,735	45,625,908	49,806,473	42,296,063	47,491,070
38,126,966	40,428,774	33,200,935	30,386,871	24,538,625	37,351,733	34,926,042
48.35%	45.69%	54.63%	60.02%	66.99%	53.10%	57.62%
4,140,017	4,165,612	4,256,869	4,138,829	5,267,644	4,254,183	4,349,254
920.94%	970.54%	779.94%	734.19%	465.84%	878.00%	803.04%

VILLAGE OF MORTON GROVE, ILLINOIS

Municipal Employees' Retirement Fund

Schedule of Investment Returns

December 31, 2023

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
2023	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, 2023**

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
2023	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, 2023**

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
2023	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, 2023

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2023

	<u>12/31/2018</u>
Total OPEB Liability	
Service Cost	\$ 464,133
Interest	645,426
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	—
Change of Assumptions or Other Inputs	(1,234,624)
Benefit Payments	<u>(850,550)</u>
Net Change in Total OPEB Liability	(975,615)
Total OPEB Liability - Beginning	<u>19,175,730</u>
Total OPEB Liability - Ending	<u><u>18,200,115</u></u>
Covered-Employee Payroll	\$ 14,073,710
Total OPEB Liability as a Percentage of Covered-Employee Payroll	129.32%

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 2023.

12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
416,857	521,557	465,141	479,095	351,726
726,622	586,296	340,632	331,505	547,612
—	—	—	—	—
—	(5,421,913)	—	(296,849)	—
3,516,883	(152,402)	(531,897)	(3,065,883)	364,910
(957,152)	(1,011,321)	(716,001)	(743,783)	(674,318)
3,703,210	(5,477,783)	(442,125)	(3,295,915)	589,930
18,200,115	21,903,325	16,425,542	15,983,417	12,687,502
21,903,325	16,425,542	15,983,417	12,687,502	13,277,432
16,538,783	17,034,946	17,054,019	14,098,339	14,412,107
132.44%	96.42%	93.72%	89.99%	92.13%

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, 2023**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 17,472,675	17,472,675	18,140,999
Intergovernmental	10,199,000	10,199,000	12,235,503
Charges for Services	1,578,650	1,578,650	1,789,287
Licenses and Permits	2,201,500	2,201,500	1,814,494
Fines and Forfeitures	816,500	816,500	269,053
Investment Income	110,000	110,000	759,309
Miscellaneous	2,387,500	2,387,500	237,699
Total Revenues	<u>34,765,825</u>	<u>34,765,825</u>	<u>35,246,344</u>
Expenditures			
General Government	4,655,553	4,655,553	4,523,855
Public Safety	22,424,766	22,424,766	22,260,328
Streets and Sidewalks	3,735,986	3,735,986	3,459,697
Vehicle and Maintenance	1,008,897	1,008,897	867,181
Health and Human Services	76,010	76,010	57,424
Community Development	300,318	300,318	280,750
Building and Inspection Services	2,164,295	2,164,295	1,440,341
Total Expenditures	<u>34,365,825</u>	<u>34,365,825</u>	<u>32,889,576</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	400,000	400,000	2,356,768
Other Financing (Uses)			
Transfers Out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(550,000)</u>
Net Change in Fund Balance	<u>—</u>	<u>—</u>	1,806,768
Fund Balance - Beginning			<u>14,558,298</u>
Fund Balance - Ending			<u><u>16,365,066</u></u>

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, 2023**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 3,000,000	3,000,000	3,982,945
Investment Income	25,000	25,000	34,381
Miscellaneous	—	—	15,583
Total Revenues	<u>3,025,000</u>	<u>3,025,000</u>	<u>4,032,909</u>
Expenditures			
Community Development			
Contractual Services	295,010	295,010	262,510
Miscellaneous	500	500	—
Capital Outlay	2,129,100	2,129,100	502,053
Debt Service			
Principal Retirement	730,000	730,000	730,000
Interest and Fiscal Charges	67,500	67,500	67,304
Total Expenditures	<u>3,222,110</u>	<u>3,222,110</u>	<u>1,561,867</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(197,110)	(197,110)	2,471,042
Other Financing (Uses)			
Transfers Out	—	—	<u>(2,788,000)</u>
Net Change in Fund Balance	<u>(197,110)</u>	<u>(197,110)</u>	(316,958)
Fund Balance - Beginning			<u>5,645,402</u>
Fund Balance - Ending			<u><u>5,328,444</u></u>

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 500,000	500,000	2,580,442
Intergovernmental			
Sales Taxes	250,000	250,000	118,388
Investment Income	—	—	155,279
Miscellaneous	—	—	18,117
Total Revenues	<u>750,000</u>	<u>750,000</u>	<u>2,872,226</u>
Expenditures			
Community Development			
Contractual Services	140,000	140,000	6,815,290
Debt Service			
Principal Retirement	495,000	495,000	495,000
Interest and Fiscal Charges	884,632	884,632	884,631
Total Expenditures	<u>1,519,632</u>	<u>1,519,632</u>	<u>8,194,921</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(769,632)	(769,632)	(5,322,695)
Other Financing Sources			
Debt Issuance	—	—	6,800,000
Net Change in Fund Balance	<u>(769,632)</u>	<u>(769,632)</u>	1,477,305
Fund Balance - Beginning			<u>5,551,898</u>
Fund Balance - Ending			<u><u>7,029,203</u></u>

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Property Taxes	\$ —	—	75,495
Expenditures			
Community Development			
Contractual Services	6,470,000	6,470,000	254,966
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,470,000)	(6,470,000)	(179,471)
Other Financing Sources			
Transfers In	—	—	2,788,000
Net Change in Fund Balance	<u>(6,470,000)</u>	<u>(6,470,000)</u>	2,608,529
Fund Balance - Beginning			<u>10,167,774</u>
Fund Balance - Ending			<u><u>12,776,303</u></u>

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.

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Taxes			
Property Taxes	\$ 10,630,675	10,630,675	10,548,366
Telecommunications Tax	360,000	360,000	304,869
Home Rule Sales Tax	2,700,000	2,700,000	3,319,545
Utility Taxes	1,600,000	1,600,000	1,440,051
Other Taxes	2,182,000	2,182,000	2,528,168
	<u>17,472,675</u>	<u>17,472,675</u>	<u>18,140,999</u>
Intergovernmental			
Personal Property Replacement Tax	800,000	800,000	1,218,386
Sales Tax	5,100,000	5,100,000	5,892,360
State Income Tax	3,000,000	3,000,000	4,040,422
Local Use Tax	900,000	900,000	984,687
Grants	399,000	399,000	99,648
	<u>10,199,000</u>	<u>10,199,000</u>	<u>12,235,503</u>
Charges for Services			
Cable Franchise Fee	355,000	355,000	309,065
Miscellaneous	1,223,650	1,223,650	1,480,222
	<u>1,578,650</u>	<u>1,578,650</u>	<u>1,789,287</u>
Licenses and Permits	<u>2,201,500</u>	<u>2,201,500</u>	<u>1,814,494</u>
Fines and Forfeitures	<u>816,500</u>	<u>816,500</u>	<u>269,053</u>
Investment Income	<u>110,000</u>	<u>110,000</u>	<u>759,309</u>
Miscellaneous	<u>2,387,500</u>	<u>2,387,500</u>	<u>237,699</u>
Total Revenues	<u>34,765,825</u>	<u>34,765,825</u>	<u>35,246,344</u>

VILLAGE OF MORTON GROVE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government			
Legislative			
Personnel Services	\$ 63,300	63,300	52,491
Contractual Services	56,950	56,950	36,667
Commodities	2,500	2,500	243
	<u>122,750</u>	<u>122,750</u>	<u>89,401</u>
Administration			
Building & Property Maintenance	633,130	633,130	528,263
Contractual Services	49,975	49,975	35,763
Commodities	3,000	3,000	2,563
	<u>686,105</u>	<u>686,105</u>	<u>566,589</u>
Finance			
Personnel Services	700,686	700,686	710,629
Contractual Services	1,794,692	1,794,692	1,657,141
Commodities	8,500	8,500	14,613
	<u>2,503,878</u>	<u>2,503,878</u>	<u>2,382,383</u>
Management and Information Services			
Personnel Services	256,071	256,071	259,848
Contractual Services	450,031	450,031	502,695
Commodities	1,340	1,340	1,274
Capital Outlay	57,000	57,000	55,503
	<u>764,442</u>	<u>764,442</u>	<u>819,320</u>
Legal			
Personnel Services	159,700	159,700	155,274
Contractual Services	224,500	224,500	115,008
	<u>384,200</u>	<u>384,200</u>	<u>270,282</u>
Other Expenditures			
Other	194,178	194,178	395,880
	<u>194,178</u>	<u>194,178</u>	<u>395,880</u>
Total General Government	<u>4,655,553</u>	<u>4,655,553</u>	<u>4,523,855</u>

VILLAGE OF MORTON GROVE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety			
Police			
Personnel Services	\$ 7,425,328	7,425,328	7,608,264
Contractual Services	4,162,479	4,162,479	4,065,414
Commodities	140,075	140,075	74,360
Capital Outlay	384,975	384,975	373,081
	<u>12,112,857</u>	<u>12,112,857</u>	<u>12,121,119</u>
Fire			
Personnel Services	5,966,200	5,966,200	6,673,212
Contractual Services	3,180,274	3,180,274	3,166,232
Commodities	265,435	265,435	253,552
Capital Outlay	900,000	900,000	41,649
	<u>10,311,909</u>	<u>10,311,909</u>	<u>10,134,645</u>
Civil Preparedness			
Contractual Services	—	—	4,564
	<u>22,424,766</u>	<u>22,424,766</u>	<u>22,260,328</u>
Streets and Sidewalks			
Streets and Sidewalks			
Personnel Services	2,063,065	2,063,065	2,144,384
Contractual Services	563,850	563,850	725,407
Commodities	563,200	563,200	270,030
Capital Outlay	367,900	367,900	217,704
Less Administrative Fees			
Motor Fuel Tax Fund	(341,000)	(341,000)	(341,000)
	<u>3,217,015</u>	<u>3,217,015</u>	<u>3,016,525</u>
Engineering			
Personnel Services	481,021	481,021	411,248
Contractual Services	34,700	34,700	29,897
Commodities	3,250	3,250	2,027
	<u>518,971</u>	<u>518,971</u>	<u>443,172</u>
Total Streets and Sidewalks	<u>3,735,986</u>	<u>3,735,986</u>	<u>3,459,697</u>

VILLAGE OF MORTON GROVE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Vehicle and Maintenance			
Personnel Services	\$ 475,442	475,442	345,583
Contractual Services	109,700	109,700	118,241
Commodities	423,755	423,755	403,357
Total Vehicle and Maintenance	1,008,897	1,008,897	867,181
Health and Human Services			
Personnel Services	28,950	28,950	30,686
Contractual Services	46,060	46,060	26,722
Commodities	1,000	1,000	16
Total Health and Human Services	76,010	76,010	57,424
Community Development			
Personnel Services	266,668	266,668	255,289
Contractual Services	31,650	31,650	24,730
Commodities	2,000	2,000	731
Total Community Development	300,318	300,318	280,750
Building and Inspection Services			
Building and Inspection Services			
Personnel Services	349,500	349,500	343,516
Contractual Services	539,600	539,600	286,375
Commodities	2,400	2,400	1,633
Total Building and Inspection Services	891,500	891,500	631,524
Municipal Buildings			
Personnel Services	204,700	204,700	188,088
Contractual Services	293,855	293,855	226,831
Commodities	22,240	22,240	21,340
Capital Outlay	752,000	752,000	372,558
Total Building and Inspection Services	1,272,795	1,272,795	808,817
Total Building and Inspection Services	2,164,295	2,164,295	1,440,341
Total Expenditures	34,365,825	34,365,825	32,889,576

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 660,963	660,963	652,874
Intergovernmental			
Sales Taxes	150,000	150,000	189,757
Investment Income	5,000	5,000	80,059
Total Revenues	<u>815,963</u>	<u>815,963</u>	<u>922,690</u>
Expenditures			
Debt Service			
Principal Retirement	495,000	495,000	277,200
Interest and Fiscal Charges	168,963	168,963	93,894
Total Expenditures	<u>663,963</u>	<u>663,963</u>	<u>371,094</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	152,000	152,000	551,596
Other Financing Sources			
Transfers In	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
Net Change in Fund Balance	<u>552,000</u>	<u>552,000</u>	951,596
Fund Balance - Beginning			<u>(125,279)</u>
Fund Balance - Ending			<u>826,317</u>

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental			
Personal Property Replacement Taxes	\$ 34,100	34,100	51,888
Sales Taxes	25,000	25,000	31,626
Investment Income	483,500	483,500	218,177
Total Revenues	542,600	542,600	301,691
Expenditures			
Capital Outlay			
Capital Projects			
Street Improvements	1,360,000	1,360,000	102,661
Excess (Deficiency) of Revenues Over (Under) Expenditures	(817,400)	(817,400)	199,030
Other Financing Sources			
Transfers In	—	—	150,000
Net Change in Fund Balance	(817,400)	(817,400)	349,030
Fund Balance - Beginning			1,558,255
Fund Balance - Ending			1,907,285

VILLAGE OF MORTON GROVE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

December 31, 2023

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds
Combining Balance Sheet
December 31, 2023

	Motor Fuel Tax	Commuter Parking Facility
ASSETS		
Cash and Investments	\$ 2,052,757	236,691
Receivables - Net of Allowances		
Other Taxes	98,733	—
Due from Other Funds	—	—
	<hr/>	<hr/>
Total Assets	<u>2,151,490</u>	<u>236,691</u>
LIABILITIES		
Accounts Payable	325,078	—
Due to Other Funds	—	—
Total Liabilities	<hr/> 325,078	<hr/> —
FUND BALANCES		
Restricted	<hr/> 1,826,412	<hr/> 236,691
Total Liabilities and Fund Balances	<u>2,151,490</u>	<u>236,691</u>

911 Emergency Telephone System	Economic Development	Fire Alarm	Seizure	Totals
715,458	433,134	359,481	788,080	4,585,601
—	307,698	—	—	406,431
—	—	—	7,370	7,370
715,458	740,832	359,481	795,450	4,999,402
180	248,396	8,094	6,252	588,000
—	253,667	—	—	253,667
180	502,063	8,094	6,252	841,667
715,278	238,769	351,387	789,198	4,157,735
715,458	740,832	359,481	795,450	4,999,402

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, 2023

	Motor Fuel Tax	Commuter Parking Facility
Revenues		
Intergovernmental	\$ 1,161,751	—
Charges for Services	—	86,290
Investment Income	31,221	—
Total Revenues	<u>1,192,972</u>	<u>86,290</u>
Expenditures		
Public Safety	—	—
Streets and Sidewalks	1,938,129	22,657
Community Development	—	—
Total Expenditures	<u>1,938,129</u>	<u>22,657</u>
Net Change in Fund Balances	(745,157)	63,633
Fund Balances - Beginning	<u>2,571,569</u>	<u>173,058</u>
Fund Balances - Ending	<u><u>1,826,412</u></u>	<u><u>236,691</u></u>

911 Emergency Telephone System	Economic Development	Fire Alarm	Seizure	Totals
—	1,189,762	—	140,890	2,492,403
510,114	—	201,219	—	797,623
—	198,527	—	3,814	233,562
510,114	1,388,289	201,219	144,704	3,523,588
420,000	—	234,190	67,196	721,386
—	—	—	—	1,960,786
—	928,503	—	—	928,503
420,000	928,503	234,190	67,196	3,610,675
90,114	459,786	(32,971)	77,508	(87,087)
625,164	(221,017)	384,358	711,690	4,244,822
715,278	238,769	351,387	789,198	4,157,735

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Taxes	\$ 1,000,000	1,000,000	1,161,751
Investment Income	10,000	10,000	31,221
Total Revenues	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,192,972</u>
Expenditures			
Streets and Sidewalks			
Contractual Services	418,000	418,000	239,353
Commodities	2,290,000	2,290,000	1,357,776
Administrative Fees			
General Fund	341,000	341,000	341,000
Total Expenditures	<u>3,049,000</u>	<u>3,049,000</u>	<u>1,938,129</u>
Net Change in Fund Balance	<u>(2,039,000)</u>	<u>(2,039,000)</u>	(745,157)
Fund Balance - Beginning			<u>2,571,569</u>
Net Position - Ending			<u><u>1,826,412</u></u>

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Charges for Services			
Parking Fees	\$ 40,000	40,000	86,290
Expenses			
Streets and Sidewalks			
Contractual Services	24,200	24,200	22,297
Commodities	6,000	6,000	360
Total Expenditures	30,200	30,200	22,657
Net Change in Fund Balance	9,800	9,800	63,633
Fund Balance - Beginning			173,058
Fund Balance - Ending			236,691

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Charges for Services			
Telecommunications Surcharges	\$ 420,000	420,000	510,114
Expenditures			
Public Safety			
Contractual Services	420,000	420,000	420,000
Net Change in Fund Balance	<u>—</u>	<u>—</u>	90,114
Fund Balance - Beginning			<u>625,164</u>
Fund Balance - Ending			<u><u>715,278</u></u>

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental			
Sales Taxes	\$ 920,000	920,000	1,189,762
Investment Income	5,000	5,000	198,527
Total Revenues	925,000	925,000	1,388,289
Expenditures			
Community Development			
Contractual Services	1,148,396	1,148,396	928,503
Net Change in Fund Balance	(223,396)	(223,396)	459,786
Fund Balance - Beginning			(221,017)
Fund Balance - Ending			238,769

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Charges for Services	\$ 200,000	200,000	201,219
Investment Income	100	100	—
Total Revenues	<u>200,100</u>	<u>200,100</u>	<u>201,219</u>
Expenditures			
Public Safety			
Personnel Services	37,700	37,700	3,668
Contractual Services	220,400	220,400	193,702
Commodities	22,000	22,000	11,820
Administrative Fees			
General Fund	25,000	25,000	25,000
Total Expenditures	<u>305,100</u>	<u>305,100</u>	<u>234,190</u>
Net Change in Fund Balance	<u>(105,000)</u>	<u>(105,000)</u>	(32,971)
Fund Balance - Beginning			<u>384,358</u>
Fund Balance - Ending			<u><u>351,387</u></u>

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental	\$ 65,000	65,000	140,890
Investment Income	500	500	3,814
Total Revenues	<u>65,500</u>	<u>65,500</u>	144,704
Expenditures			
Public Safety			
Contractual Services	<u>312,000</u>	<u>312,000</u>	67,196
Net Change in Fund Balance	<u>(246,500)</u>	<u>(246,500)</u>	77,508
Fund Balance - Beginning			<u>711,690</u>
Fund Balance - Ending			<u>789,198</u>

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenue			
Charges for Services			
Water Sales	\$ 7,485,000	7,485,000	7,188,778
Sewer Charges	785,250	785,250	744,017
Miscellaneous	115,500	115,500	106,481
Total Operating Revenues	<u>8,385,750</u>	<u>8,385,750</u>	<u>8,039,276</u>
Operating Expenses			
Operations			
Personnel Services	2,199,349	2,199,349	1,376,964
Contractual Services	2,685,984	2,685,984	1,405,849
Capital Outlay	1,810,000	1,810,000	—
Water Purchases	3,710,000	3,710,000	3,946,800
Commodities	621,250	621,250	586,324
Other	5,000	5,000	—
Depreciation and Amortization	350,000	350,000	533,419
Total Operating Expenses	<u>11,381,583</u>	<u>11,381,583</u>	<u>7,849,356</u>
Operating Income (Loss)	<u>(2,995,833)</u>	<u>(2,995,833)</u>	<u>189,920</u>
Nonoperating Revenues (Expenses)			
Connection Fees	20,000	20,000	8,013
Investment Income	10,000	10,000	210,278
Other Income	180,000	180,000	286,015
Interest Expense	—	—	(72,566)
	<u>210,000</u>	<u>210,000</u>	<u>431,740</u>
Change in Net Position	<u>(2,785,833)</u>	<u>(2,785,833)</u>	621,660
Net Position - Beginning			<u>1,563,656</u>
Net Position - Ending			<u><u>2,185,316</u></u>

VILLAGE OF MORTON GROVE, ILLINOIS

Nonmajor Enterprise Funds

Combining Statement of Net Position - Proprietary Funds

December 31, 2023

	Solid Waste	Municipal Parking	Morton Grove Days	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ 1,510,592	428,400	—	1,938,992
Receivables - Net of Allowances				
Accounts	46,470	975	1,725	49,170
Prepays	32,303	—	—	32,303
	<hr/>			
Total Assets	1,589,365	429,375	1,725	2,020,465
LIABILITIES				
Current Liabilities				
Accounts Payable	160,997	—	—	160,997
Due to Other Funds	—	—	138,352	138,352
Total Liabilities	160,997	—	138,352	299,349
NET POSITION				
Unrestricted (Deficit)	1,428,368	429,375	(136,627)	1,721,116

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, 2023

	Solid Waste	Municipal Parking	Morton Grove Days	Totals
Operating Revenues				
Charges for Services	\$ 2,078,726	35,522	139,743	2,253,991
Operating Expenses				
Operations	2,107,326	—	175,709	2,283,035
Change in Net Position	(28,600)	35,522	(35,966)	(29,044)
Net Position - Beginning	1,456,968	393,853	(100,661)	1,750,160
Net Position - Ending	1,428,368	429,375	(136,627)	1,721,116

VILLAGE OF MORTON GROVE, ILLINOIS

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2023

	Solid Waste	Municipal Parking	Morton Grove Days	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,081,231	34,922	139,743	2,255,896
Payments to Suppliers	(2,081,451)	(34,942)	(175,709)	(2,292,102)
	(220)	(20)	(35,966)	(36,206)
Cash Flows from Noncapital Financing				
Interfund Loans	—	—	35,966	35,966
Net Change in Cash and Cash Equivalents	(220)	(20)	—	(240)
Cash and Cash Equivalents - Beginning	1,510,812	428,420	—	1,939,232
Cash and Cash Equivalents - Ending	1,510,592	428,400	—	1,938,992
Reconciliation of Operating Loss to Net Provided (Used) by Operating Activities				
Operating Income (Loss)	(28,600)	35,522	(35,966)	(29,044)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in)				
Operating Activities				
(Increase) Decrease in Assets	2,505	(600)	—	1,905
Increase (Decrease) in Liabilities	25,875	(34,942)	—	(9,067)
Net Cash Provided (Used) by Operating Activities	(220)	(20)	(35,966)	(36,206)

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services			
Waste	\$ 2,075,502	2,075,502	2,078,726
Operating Expenses			
Operations			
Contractual Services	1,735,775	1,735,775	1,742,326
Administrative Fees	365,000	365,000	365,000
Total Operating Expenses	2,100,775	2,100,775	2,107,326
Change in Net Position	<u>(25,273)</u>	<u>(25,273)</u>	(28,600)
Net Position - Beginning			<u>1,456,968</u>
Net Position - Ending			<u>1,428,368</u>

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services			
Morton Grove Days	\$ 160,000	160,000	139,743
Operating Expenses			
Operations			
Contractual Services	120,000	120,000	123,566
Commodities	40,000	40,000	52,143
Total Operating Expenses	160,000	160,000	175,709
Change in Net Position	<u>—</u>	<u>—</u>	(35,966)
Net Position - Beginning			<u>(100,661)</u>
Net Position - Ending			<u>(136,627)</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position

December 31, 2023

	Municipal Employees' Retirement	Police Pension	Firefighters' Pension	Totals
ASSETS				
Cash and Cash Equivalents	\$ —	321,276	7,635	328,911
Investments				
Illinois Police Pension Investment Fund	—	45,372,818	—	45,372,818
Illinois Firefighters' Pension Investment Fund	—	—	47,100,553	47,100,553
Annuity Contracts	10,948,252	—	—	10,948,252
Money Market Mutual Funds	—	406,679	378,824	785,503
Receivables				
Accounts	1,871	—	—	1,871
Prepays	—	3,488	5,801	9,289
Total Assets	10,950,123	46,104,261	47,492,813	104,547,197
LIABILITIES				
Accounts Payable	—	1,126	1,743	2,869
NET POSITION				
Net Position Restricted for Pensions	10,950,123	46,103,135	47,491,070	104,544,328

VILLAGE OF MORTON GROVE, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended December 31, 2023

	Municipal Employees' Retirement	Police Pension	Firefighters' Pension	Totals
Additions				
Contributions - Employer	\$ 1,174,001	3,161,665	2,814,461	7,150,127
Contributions - Plan Members	348,088	637,665	428,222	1,413,975
Total Contributions	<u>1,522,089</u>	<u>3,799,330</u>	<u>3,242,683</u>	<u>8,564,102</u>
Investment Income				
Interest Earned	230,357	300,613	794,037	1,325,007
Net Change in Fair Value	—	5,080,944	5,565,882	10,646,826
	<u>230,357</u>	<u>5,381,557</u>	<u>6,359,919</u>	<u>11,971,833</u>
Less Investment Expenses	(20,919)	(59,127)	(53,897)	(133,943)
Net Investment Income	<u>209,438</u>	<u>5,322,430</u>	<u>6,306,022</u>	<u>11,837,890</u>
Total Additions	<u>1,731,527</u>	<u>9,121,760</u>	<u>9,548,705</u>	<u>20,401,992</u>
Deductions				
Administration	—	32,860	50,936	83,796
Benefits and Refunds	1,299,278	4,663,372	4,302,762	10,265,412
Total Deductions	<u>1,299,278</u>	<u>4,696,232</u>	<u>4,353,698</u>	<u>10,349,208</u>
Change in Fiduciary Net Position	432,249	4,425,528	5,195,007	10,052,784
Net Position Restricted for Pensions				
Beginning	<u>10,517,874</u>	<u>41,677,607</u>	<u>42,296,063</u>	<u>94,491,544</u>
Ending	<u>10,950,123</u>	<u>46,103,135</u>	<u>47,491,070</u>	<u>104,544,328</u>

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Additions			
Contributions - Employer	\$ 1,174,001	1,174,001	1,174,001
Contributions - Plan Members	243,906	243,906	348,088
Total Contributions	1,417,907	1,417,907	1,522,089
Investment Income			
Interest Earned	250,000	250,000	230,357
Net Change in Fair Value	—	—	—
	250,000	250,000	230,357
Less Investment Expenses	(23,000)	(23,000)	(20,919)
Net Investment Income	227,000	227,000	209,438
Total Additions	1,644,907	1,644,907	1,731,527
Deductions			
Administration	3,000	3,000	—
Benefits and Refunds	1,300,000	1,300,000	1,299,278
Total Deductions	1,303,000	1,303,000	1,299,278
Change in Fiduciary Net Position	341,907	341,907	432,249
Net Position Restricted for Pensions			
Beginning			10,517,874
Ending			10,950,123

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Additions			
Contributions - Employer	\$ 3,417,798	3,417,798	3,161,665
Contributions - Plan Members	620,000	620,000	637,665
Total Contributions	<u>4,037,798</u>	<u>4,037,798</u>	<u>3,799,330</u>
Investment Income			
Interest Earned	300,000	300,000	300,613
Net Change in Fair Value	1,300,000	1,300,000	5,080,944
	<u>1,600,000</u>	<u>1,600,000</u>	<u>5,381,557</u>
Less Investment Expenses	(65,000)	(65,000)	(59,127)
Net Investment Income	<u>1,535,000</u>	<u>1,535,000</u>	<u>5,322,430</u>
Total Additions	<u>5,572,798</u>	<u>5,572,798</u>	<u>9,121,760</u>
Deductions			
Administration	56,100	56,100	32,860
Benefits and Refunds	4,560,000	4,560,000	4,663,372
Total Deductions	<u>4,616,100</u>	<u>4,616,100</u>	<u>4,696,232</u>
Change in Fiduciary Net Position	<u>956,698</u>	<u>956,698</u>	4,425,528
Net Position Restricted for Pensions			
Beginning			<u>41,677,607</u>
Ending			<u>46,103,135</u>

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, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Additions			
Contributions - Employer	\$ 3,179,524	3,179,524	2,814,461
Contributions - Plan Members	400,000	400,000	428,222
Total Contributions	<u>3,579,524</u>	<u>3,579,524</u>	<u>3,242,683</u>
Investment Income			
Interest Earned	400,000	400,000	794,037
Net Change in Fair Value	1,100,000	1,100,000	5,565,882
	<u>1,500,000</u>	<u>1,500,000</u>	<u>6,359,919</u>
Less Investment Expenses	(95,000)	(95,000)	(53,897)
Net Investment Income	<u>1,405,000</u>	<u>1,405,000</u>	<u>6,306,022</u>
Total Additions	<u>4,984,524</u>	<u>4,984,524</u>	<u>9,548,705</u>
Deductions			
Administration	63,500	63,500	50,936
Benefits and Refunds	4,098,700	4,098,700	4,302,762
Total Deductions	<u>4,162,200</u>	<u>4,162,200</u>	<u>4,353,698</u>
Change in Fiduciary Net Position	<u>822,324</u>	<u>822,324</u>	5,195,007
Net Position Restricted for Pensions			
Beginning			<u>42,296,063</u>
Ending			<u>47,491,070</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF MORTON GROVE, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bond of 2015
December 31, 2023**

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	<u>\$ 770,000</u>	<u>30,800</u>	<u>800,800</u>

VILLAGE OF MORTON GROVE, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bond of 2019
December 31, 2023**

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
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
	<u>3,670,000</u>	<u>449,074</u>	<u>4,119,074</u>

2,055,200 Debt Service Fund

1,614,800 Water and Sewer Fund

3,670,000

VILLAGE OF MORTON GROVE, ILLINOIS

Long-Term Debt Requirements

Senior Lien Tax Increment Revenue Bond of 2019

December 31, 2023

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
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
	<u>18,140,000</u>	<u>8,574,482</u>	<u>26,714,482</u>

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, 2023 (Unaudited)

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2023 (Unaudited)**

	2014	2015	2016
Governmental Activities			
Net Investment in Capital Assets	\$ 44,444,400	44,953,060	39,217,439
Restricted	15,893,795	17,293,933	19,744,965
Unrestricted	(23,603,372)	(71,822,364)	(75,847,646)
 Total Governmental Activities Net Position	 <u>36,734,823</u>	 <u>(9,575,371)</u>	 <u>(16,885,242)</u>
 Business-Type Activities			
Net Investment in Capital Assets	5,875,794	5,778,164	5,960,197
Unrestricted	3,765,559	1,925,554	1,182,811
 Total Business-Type Activities Net Position	 <u>9,641,353</u>	 <u>7,703,718</u>	 <u>7,143,008</u>
 Primary Government			
Net Investment in Capital Assets	50,320,194	50,731,224	45,177,636
Restricted	15,893,795	17,293,933	19,744,965
Unrestricted	(19,837,813)	(69,896,810)	(74,664,835)
 Total Primary Government Net Position	 <u>46,376,176</u>	 <u>(1,871,653)</u>	 <u>(9,742,234)</u>

* Accrual Basis of Accounting

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

Data Source: Audited Financial Statements

2017	2018	2019	2020	2021	2022	2023
42,544,431	42,539,916	44,113,319	45,731,628	48,274,626	50,852,664	53,131,631
15,640,410	15,740,469	28,358,753	23,426,347	23,356,381	27,291,129	27,063,336
(79,477,082)	(93,830,870)	(118,642,317)	(115,022,278)	(113,237,646)	(100,326,966)	(97,839,136)
(21,292,241)	(35,550,485)	(46,170,245)	(45,864,303)	(41,606,639)	(22,183,173)	(17,644,169)
6,556,655	6,807,293	7,095,776	7,393,385	8,068,151	8,773,885	8,915,671
1,776,058	387,530	(2,439,634)	(1,538,973)	(3,684,680)	(5,460,069)	(5,009,239)
8,332,713	7,194,823	4,656,142	5,854,412	4,383,471	3,313,816	3,906,432
49,101,086	49,347,209	51,209,095	53,125,013	56,342,777	59,626,549	62,047,302
15,640,410	15,740,469	28,358,753	23,426,347	23,356,381	27,291,129	27,063,336
(77,701,024)	(93,443,340)	(121,081,951)	(116,561,251)	(116,922,326)	(105,787,035)	(102,848,375)
(12,959,528)	(28,355,662)	(41,514,103)	(40,009,891)	(37,223,168)	(18,869,357)	(13,737,737)

VILLAGE OF MORTON GROVE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
December 31, 2023 (Unaudited)

	2014	2015	2016
Expenses			
Governmental Activities			
General Government	\$ 3,749,953	5,122,457	4,952,670
Public Safety	19,225,281	25,760,081	26,283,790
Streets and Highways	4,043,649	7,364,136	6,569,693
Vehicle Maintenance	793,103	701,174	687,317
Health and Human Services	282,897	220,531	16,446
Community Development	980,882	1,118,066	688,354
Building and Inspection Services	794,883	714,270	896,333
Interest on Long-Term Debt	781,321	943,022	642,697
Total Governmental Activities Expenses	<u>30,651,969</u>	<u>41,943,737</u>	<u>40,737,300</u>
Business-Type Activities			
Waterworks and Sewerage	7,356,131	10,269,076	9,499,761
Solid Waste	1,857,923	1,869,199	1,788,287
Municipal Parking	11,380	11,348	12,585
Morton Grove Days	—	—	—
Total Business-Type Activities Expenses	<u>9,225,434</u>	<u>12,149,623</u>	<u>11,300,633</u>
Total Primary Government Expenses	<u><u>39,877,403</u></u>	<u><u>54,093,360</u></u>	<u><u>52,037,933</u></u>
Program Revenues			
Governmental Activities			
Charges for Services			
General Government	3,426,448	3,273,344	2,864,038
Public Safety	961,296	1,087,239	1,118,677
Other Activities	2,403	8,102	176,970
Operating Grants/Contributions	829,051	1,077,504	606,115
Capital Grants/Contributions	158,042	141,474	63,670
Total Governmental Activities Program Revenues	<u>5,377,240</u>	<u>5,587,663</u>	<u>4,829,470</u>
Business-Type Activities			
Charges for Services			
Waterworks and Sewerage	8,678,471	8,691,690	8,441,426
Solid Waste	1,983,404	2,014,617	1,985,744
Municipal Parking	59,633	57,935	58,507
Morton Grove Days	—	—	—
Capital Grants/Contributions	59,473	59,601	59,112
Total Business-Type Activities Program Revenues	<u>10,780,981</u>	<u>10,823,843</u>	<u>10,544,789</u>
Total Primary Government Program Revenues	<u><u>16,158,221</u></u>	<u><u>16,411,506</u></u>	<u><u>15,374,259</u></u>

VILLAGE OF MORTON GROVE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* - Continued
December 31, 2023 (Unaudited)

2017	2018	2019	2020	2021	2022	2023
5,117,197	4,099,466	5,211,634	3,008,128	10,215,501	183,312	4,316,451
24,371,736	20,851,590	26,095,188	20,431,755	18,888,660	20,890,721	21,802,542
5,889,348	8,753,053	3,413,255	4,085,760	4,163,917	1,545,554	5,410,672
662,341	696,662	852,620	742,774	928,257	921,143	867,181
9,059	27,957	50,378	11,448	13,876	26,201	57,424
1,594,966	3,069,076	9,496,350	8,126,273	1,326,585	1,529,506	7,224,445
1,042,263	960,551	1,553,521	814,303	1,198,685	1,125,225	1,193,462
584,476	418,766	645,445	433,278	1,056,003	951,920	1,563,762
39,271,386	38,877,121	47,318,391	37,653,719	37,791,484	27,173,582	42,435,939
8,168,387	8,477,929	10,788,627	7,276,909	9,891,226	9,723,410	7,921,922
1,835,572	1,868,109	2,100,530	1,814,565	1,924,023	1,802,799	2,107,326
11,158	10,769	10,425	62	(301)	(157)	—
150,433	148,263	141,306	36,143	76,742	137,443	175,709
10,165,550	10,505,070	13,040,888	9,127,679	11,891,690	11,663,495	10,204,957
49,436,936	49,382,191	60,359,279	46,781,398	49,683,174	38,837,077	52,640,896
2,989,856	3,142,468	3,371,359	3,724,176	3,268,836	3,521,096	3,603,781
1,127,232	1,547,758	1,397,898	1,178,635	1,275,917	949,396	980,386
122,461	120,190	109,215	25,430	14,797	218,389	86,290
611,558	602,421	763,393	1,358,021	1,422,960	1,496,384	1,305,105
206,238	84,693	173,464	543,737	1,744,786	138,276	—
5,057,345	5,497,530	5,815,329	6,829,999	7,727,296	6,323,541	5,975,562
8,485,210	8,247,849	7,998,846	8,026,231	8,110,402	7,959,062	8,047,289
2,042,578	2,001,847	2,071,104	2,087,825	2,022,217	2,071,696	2,078,726
49,120	61,025	55,184	11,426	5,625	1,725	35,522
195,763	137,846	123,446	—	35,046	97,568	139,743
58,543	53,419	—	—	—	—	—
10,831,214	10,501,986	10,248,580	10,125,482	10,173,290	10,130,051	10,301,280
15,888,559	15,999,516	16,063,909	16,955,481	17,900,586	16,453,592	16,276,842

	2014	2015	2016
Net (Expenses) Revenues			
Governmental Activities	(25,274,729)	(36,356,074)	(35,907,830)
Business-Type Activities	1,555,547	(1,325,780)	(755,844)
Total Primary Government Net (Expenses) Revenues	<u>(23,719,182)</u>	<u>(37,681,854)</u>	<u>(36,663,674)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities			
Taxes			
Property	12,444,336	12,861,602	13,010,453
Sales	6,413,855	6,801,069	7,642,127
Utility	1,228,883	1,272,845	2,039,489
Other	2,186,679	2,659,951	2,283,702
Intergovernmental - Unrestricted			
Personal Property Replacement	398,843	405,808	402,648
Income Taxes	2,227,959	2,476,003	2,265,196
Local Use	454,615	517,569	565,191
ARPA	—	—	—
Investment Income	15,843	17,912	60,078
Miscellaneous	363,420	236,286	329,075
Total Governmental Activities General Revenues	<u>25,734,433</u>	<u>27,249,045</u>	<u>28,597,959</u>
Business-Type Activities			
Investment Income	2,966	2,322	11,330
Miscellaneous	284,657	315,446	173,804
Gain on Disposal of Capital Assets	17,500	6,300	—
Total Business-Type Activities General Revenues	<u>305,123</u>	<u>324,068</u>	<u>185,134</u>
Total Primary Government General Revenues	<u>26,039,556</u>	<u>27,573,113</u>	<u>28,783,093</u>
Changes in Net Position			
Governmental Activities	459,704	(9,107,029)	(7,309,871)
Business-Type Activities	1,860,670	(1,001,712)	(570,710)
Total Primary Government Changes in Net Position	<u>2,320,374</u>	<u>(10,108,741)</u>	<u>(7,880,581)</u>

* Accrual Basis of Accounting

Data Source: Audited Financial Statements

VILLAGE OF MORTON GROVE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* - Continued
December 31, 2023 (Unaudited)

2017	2018	2019	2020	2021	2022	2023
(34,214,041)	(33,379,591)	(41,503,062)	(30,823,720)	(30,064,188)	(20,850,041)	(36,460,377)
665,664	(3,084)	(2,792,308)	997,803	(1,718,400)	(1,533,444)	96,323
<u>(33,548,377)</u>	<u>(33,382,675)</u>	<u>(44,295,370)</u>	<u>(29,825,917)</u>	<u>(31,782,588)</u>	<u>(22,383,485)</u>	<u>(36,364,054)</u>
13,474,303	13,757,494	14,038,228	14,816,068	14,370,115	17,888,128	17,840,122
7,713,258	8,099,670	1,592,759	1,513,744	1,558,645	1,562,260	1,440,051
1,506,508	1,649,183	8,038,598	7,277,424	9,601,236	10,502,150	10,741,438
2,872,210	2,719,557	2,591,256	2,282,852	2,839,400	3,065,660	2,833,037
470,075	390,862	481,138	429,849	754,446	1,525,636	1,270,274
2,137,330	2,228,476	2,476,837	2,528,726	3,089,256	4,122,078	4,040,422
601,914	683,568	785,168	1,039,081	921,642	1,025,240	984,687
—	—	—	—	—	—	97,184
776,459	304,846	367,036	207,119	1,094,698	353,402	1,480,767
224,985	599,709	512,282	1,034,799	92,414	(83,547)	271,399
<u>29,777,042</u>	<u>30,433,365</u>	<u>30,883,302</u>	<u>31,129,662</u>	<u>34,321,852</u>	<u>39,961,007</u>	<u>40,999,381</u>
15,972	32,374	40,392	9,545	726	(4,708)	210,278
194,279	151,901	213,235	190,922	246,733	424,452	286,015
—	—	—	—	—	—	—
<u>210,251</u>	<u>184,275</u>	<u>253,627</u>	<u>200,467</u>	<u>247,459</u>	<u>419,744</u>	<u>496,293</u>
<u>29,987,293</u>	<u>30,617,640</u>	<u>31,136,929</u>	<u>31,330,129</u>	<u>34,569,311</u>	<u>40,380,751</u>	<u>41,495,674</u>
(4,436,999)	(2,946,226)	(10,619,760)	305,942	4,257,664	19,110,966	4,539,004
875,915	181,191	(2,538,681)	1,198,270	(1,470,941)	(1,113,700)	592,616
<u>(3,561,084)</u>	<u>(2,765,035)</u>	<u>(13,158,441)</u>	<u>1,504,212</u>	<u>2,786,723</u>	<u>17,997,266</u>	<u>5,131,620</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years*
December 31, 2023 (Unaudited)

	2014	2015	2016
General Fund			
Nonspendable			
Advance to Other Funds	\$ 1,514,751	2,781,489	3,276,359
Prepaid Items	589,507	192	192
Restricted			
Public Safety	—	—	—
Retirement	—	4,961	—
Unrestricted/Unassigned	5,745,220	5,891,331	6,678,041
Total General Fund	<u>7,849,478</u>	<u>8,677,973</u>	<u>9,954,592</u>
All Other Governmental Funds			
Nonspendable			
Prepaid Items	—	297,983	—
Advance to Other Funds	44,364	—	44,364
Restricted			
Public Safety	805,492	1,168,217	1,266,779
Capital Improvements			
Unspent Bond Proceeds	18	3,597,581	1,753,252
Community Development	14,228,109	15,018,344	15,830,847
Economic Development	—	—	—
Highways and Streets	860,194	765,044	841,869
Debt Service	—	337,367	100,190
Unrestricted			
Committed for Commuter Improvements	59,855	61,734	66,331
Unassigned	<u>(1,905,351)</u>	<u>(2,860,210)</u>	<u>(3,370,901)</u>
Total All Other Governmental Funds	<u>14,092,681</u>	<u>18,386,060</u>	<u>16,532,731</u>
 Total Governmental Funds	 <u>21,942,159</u>	 <u>27,064,033</u>	 <u>26,487,323</u>

* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

2017	2018	2019	2020	2021	2022	2023
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	—	21,890
10,201,704	11,084,114	10,524,675	10,357,207	12,626,851	14,558,106	16,342,984
11,350,826	12,299,509	11,791,556	11,594,432	13,794,544	14,558,298	16,365,066
—	—	—	—	—	100,000	—
—	—	—	—	—	—	3,816,304
1,372,686	1,540,143	1,789,486	1,805,103	1,731,590	1,894,270	2,092,554
1,076,628	1,151,649	1,244,392	1,589,628	1,380,428	1,558,255	1,907,285
12,189,640	11,802,511	24,217,393	18,337,079	18,043,891	21,265,074	21,317,646
—	—	—	—	—	—	238,769
915,002	916,139	989,723	1,606,434	2,181,901	2,571,569	1,826,412
118,339	292,204	116,253	—	—	—	826,317
23,930	641	—	—	—	—	—
(3,314,637)	(3,402,498)	(2,929,184)	(1,083,229)	(1,116,658)	(346,296)	—
12,381,588	12,300,789	25,428,063	22,255,015	22,221,152	27,042,872	32,025,287
23,732,414	24,600,298	37,219,619	33,849,447	36,015,696	41,601,170	48,390,353

VILLAGE OF MORTON GROVE, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
December 31, 2023 (Unaudited)

	2014	2015	2016
Revenues			
Taxes	\$ 22,273,754	23,595,467	20,170,610
Intergovernmental	4,250,153	4,618,358	8,851,872
Charges for Services	1,139,875	1,204,934	1,375,439
License and Permits	1,741,148	1,826,803	1,689,844
Fines and Forfeitures	827,515	717,300	654,226
Surcharge Fees	246,727	283,028	—
Investment Income	15,843	17,912	60,078
Cable TV	340,991	336,620	368,533
Miscellaneous	275,667	236,286	329,075
Total Revenues	<u>31,111,673</u>	<u>32,836,708</u>	<u>33,499,677</u>
Expenditures			
General Government	2,969,658	3,259,332	3,645,330
Public Safety	17,705,168	18,491,369	18,807,704
Streets and Sidewalks	3,732,439	3,322,002	3,189,534
Vehicle Maintenance	793,103	701,174	687,317
Health and Human Services	282,897	217,248	16,446
Community Development	1,322,606	1,385,112	1,095,015
Building and Inspection Services	790,256	707,754	896,333
Capital Outlay	315,560	2,173,640	2,714,242
Debt Service			
Principal Retirement	2,846,995	1,665,200	2,158,501
Interest	783,179	932,247	876,035
Total Expenditures	<u>31,541,861</u>	<u>32,855,078</u>	<u>34,086,457</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(430,188)</u>	<u>(18,370)</u>	<u>(586,780)</u>
Other Financing Sources (Uses)			
Transfers In	—	—	493,658
Transfers (Out)	—	—	(493,658)
Issuance of Bonds	—	10,010,000	—
Premium on Bonds Issued	—	1,472,259	—
Payments to Bond Escrow	—	(6,359,521)	—
Issuance of Installment Note	1,415,000	—	—
Disposal of Capital Assets	29,108	17,506	10,070
	<u>1,444,108</u>	<u>5,140,244</u>	<u>10,070</u>
Net Change in Fund Balances	<u>1,013,920</u>	<u>5,121,874</u>	<u>(576,710)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>11.08%</u>	<u>8.64%</u>	<u>9.10%</u>

* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

2017	2018	2019	2020	2021	2022	2023
20,728,811	21,049,186	20,931,175	20,656,794	21,504,080	25,644,862	25,432,755
8,965,474	9,412,078	10,237,814	11,199,149	14,896,167	16,002,688	15,119,565
1,409,280	1,616,010	2,039,617	1,818,340	2,006,018	2,531,283	2,586,910
1,801,637	1,897,530	2,073,762	2,559,440	1,914,320	1,896,292	1,814,494
626,021	778,916	652,083	484,020	541,451	252,068	269,053
—	—	—	—	—	—	—
776,459	304,846	367,036	207,119	1,094,698	353,402	1,480,767
369,732	340,608	—	—	—	—	—
224,985	599,709	512,282	1,034,799	92,414	(83,547)	271,399
34,902,399	35,998,883	36,813,769	37,959,661	42,049,148	46,597,048	46,974,943
3,648,820	3,997,077	3,469,455	3,710,182	3,747,707	4,251,844	4,523,855
19,397,065	20,843,690	21,142,482	21,686,921	23,292,434	23,819,855	22,981,714
3,036,929	3,093,940	3,312,092	3,134,159	3,515,457	4,452,068	5,420,483
662,341	696,662	852,620	742,774	928,257	921,143	867,181
9,059	27,957	50,378	11,448	13,876	26,201	57,424
1,488,315	1,742,062	9,496,350	8,126,273	1,326,585	1,529,506	8,542,019
1,062,123	1,148,653	1,744,638	1,205,278	1,215,633	1,358,608	1,440,341
1,483,829	1,873,718	171,947	37,077	2,419,480	1,423,338	604,714
3,499,742	1,061,989	2,172,423	2,206,171	2,158,600	2,103,200	1,502,200
787,431	645,251	656,313	469,550	1,264,870	1,161,188	1,045,829
35,075,654	35,130,999	43,068,698	41,329,833	39,882,899	41,046,951	46,985,760
(173,255)	867,884	(6,254,929)	(3,370,172)	2,166,249	5,550,097	(10,817)
2,537,988	433,783	436,875	2,551,889	436,875	12,838,154	3,338,000
(2,537,988)	(433,783)	(436,875)	(2,551,889)	(436,875)	(12,838,154)	(3,338,000)
—	—	21,689,800	—	—	—	6,800,000
—	—	527,450	—	—	—	—
—	—	(3,343,000)	—	—	—	—
—	—	—	—	—	—	—
(2,581,654)	—	—	—	—	35,377	—
(2,581,654)	—	18,874,250	—	—	35,377	6,800,000
(2,754,909)	867,884	12,619,321	(3,370,172)	2,166,249	5,585,474	6,789,183
12.62%	4.90%	6.71%	6.59%	8.90%	8.25%	5.65%

VILLAGE OF MORTON GROVE, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
December 31, 2023 (Unaudited)**

Fiscal Year	Tax Levy Year	Residential Property	Farm	Commercial Property
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
2023	2022	743,955,552	81,208	192,011,370

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
\$ 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%
126,215,020	1,062,263,150	1.160	3,186,789,769	33.333%

VILLAGE OF MORTON GROVE, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2023 (Unaudited)**

	2013	2014	2015
Village Direct Rates			
General	0.725	0.779	0.710
Police Pension	0.258	0.265	0.302
Fire Pension	0.284	0.284	0.314
Bonds and Interest	0.143	0.121	0.122
IMRF	0.030	0.041	0.041
Purchase Agreement	0.003	—	—
Capital Improvement	0.008	0.015	0.015
Total Direct Rates	1.451	1.505	1.504
Overlapping Rates			
Morton Grove Library	0.444	0.458	0.419
School District #68	3.144	3.121	2.863
School District #69	6.214	5.926	5.696
School District #67	3.497	3.427	2.957
School District #63	3.864	3.811	3.492
School District #70	4.351	4.344	3.797
High School District #207	2.722	2.739	2.507
High School District #219	3.707	3.650	3.460
Community College District #535	0.256	0.258	0.231
Cook County	0.560	0.568	0.533
Cook County Forest Preserve	0.069	0.069	0.063
Consolidated Elections	0.031	—	—
Metro Water Reclamation District	0.417	0.430	0.406
Morton Grove Park District	0.468	0.463	0.431
Skokie Park District	0.581	0.477	0.440
Glenview Park District	0.662	0.661	0.563
Maine Township	0.210	0.210	0.108
Niles Township	0.056	0.057	0.046
North Shore Mosquito Abatement	0.007	0.011	0.010
Total Overlapping Rates	31.260	30.680	28.022
Total Direct and Overlapping Rates	32.711	32.185	29.526

Data Source: Office of the County Clerk

2016	2017	2018	2019	2020	2021	2022
0.574	0.549	0.495	0.415	0.362	0.381	0.451
0.289	0.338	0.358	0.313	0.341	0.373	0.316
0.287	0.334	0.355	0.312	0.321	0.401	0.300
0.102	0.075	0.141	0.108	0.106	0.103	0.064
0.035	0.035	0.036	0.031	0.030	0.035	0.028
—	—	—	—	—	—	—
0.013	—	—	—	—	—	—
1.300	1.331	1.385	1.179	1.160	1.293	1.160
0.419	0.421	0.430	0.377	0.371	0.404	0.351
2.863	2.827	2.966	2.735	2.743	2.957	2.762
5.696	5.806	6.010	5.310	5.492	5.903	4.819
2.957	2.962	3.110	2.766	2.746	3.000	2.782
3.492	3.556	3.763	3.245	3.388	3.770	3.211
3.797	3.838	3.958	3.409	3.410	3.820	3.340
2.507	2.529	2.652	2.553	2.639	2.901	2.524
4.460	3.409	3.347	3.017	3.029	3.350	3.069
0.231	0.232	0.025	0.221	0.227	0.252	0.227
0.533	0.496	0.489	0.454	0.453	0.446	0.386
0.063	0.062	0.600	0.059	0.058	0.058	0.075
—	0.031	—	0.030	—	0.019	0.032
0.406	0.402	0.396	0.389	0.378	0.382	0.345
0.431	0.444	0.462	0.406	0.537	0.591	0.527
0.440	0.440	0.463	0.411	0.406	0.451	0.407
0.563	0.567	0.651	0.576	0.591	0.657	0.579
0.108	0.105	0.092	0.086	0.076	0.148	0.066
0.046	0.054	0.049	0.052	0.053	0.059	0.048
0.010	0.010	0.010	0.009	0.009	0.009	0.008
29.022	28.191	29.473	26.105	26.606	29.177	25.558
30.322	29.522	30.858	27.284	27.766	30.470	26.718

VILLAGE OF MORTON GROVE, ILLINOIS

**Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago
December 31, 2023 (Unaudited)**

Taxpayer	2021 Tax Levy Year			2012 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	\$ 15,183,493	1	1.68%	\$ 12,041,237	2	1.48%
CRP Holdings CLP	14,260,291	2	1.41%	14,172,477	1	1.75%
Fluid Handling LLC	12,717,654	3	1.02%			
Fareva Morton Grove	12,337,455	4	1.14%			
CMK 9000 Waukegan LLC	11,159,017	5	1.07%			
IM Kensington	10,916,312	6	0.00%			
Public Storage	10,489,911	7	0.96%	5,198,395	8	0.64%
John Crane Inc	9,933,577	8	0.94%	7,308,091	7	0.90%
CRE North Grove CPIII	9,619,163	9	0.89%			
MG Properties	9,611,126	10	0.00%			
Tower Real Estate				11,748,543	3	1.51%
Menards				8,880,602	4	1.10%
Bell & Gossett				7,884,962	5	0.97%
Avon Products Inc.				7,553,741	6	0.93%
Kraft				4,899,147	9	0.60%
Capital Property Management				4,360,051	10	0.54%
	<u>116,227,999</u>		<u>9.11%</u>	<u>79,687,195</u>		<u>9.88%</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, 2023 (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
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%
2023	2022	11,055,581	11,055,581	100.00%	—	11,055,581	100.00%

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, 2023 (Unaudited)**

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Installment Notes Payable	Intergovernmental Agreements Payable	Tax Increment Financing Revenue Bonds Payable
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
2023	3,031,986	—	—	18,286,244

(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			Percentage of	
General Obligation Bonds	Total Primary Government		Personal Income (1)	Per Capita (1)
\$ 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
1,777,277	23,095,507		2.13%	957.09

VILLAGE OF MORTON GROVE, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2023 (Unaudited)**

Fiscal Year	Governmental	Business-Type	Less: Amounts Available for Debt Service	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
	Activities General Obligation Bonds	Activities General Obligation Bonds				
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
2023	3,031,986	1,777,277	—	4,809,263	0.45%	199.30

(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, 2023 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)(2)	Village's Share of Debt
Village of Morton Grove	\$ 21,318,230	100.000%	\$ 21,318,230
Schools			
School District #63	45,730,000	14.77%	6,754,321
School District #67	4,345,000	73.02%	3,172,719
School District #69	32,230,000	16.93%	5,456,539
School District #70	565,000	98.57%	556,921
High School District #207	15,124,000	3.37%	509,679
High School District #219	590,000	16.29%	96,111
Community College District #535	54,930,000	3.62%	1,988,466
Total Schools	153,514,000		18,534,756
Others			
Cook County	2,093,131,750	0.58%	12,140,164
Cook County Forest Preserve	90,940,000	0.58%	527,452
Metropolitan Metro Water Reclamation			
District of Greater Chicago	2,503,179,075	0.58%	14,518,439
Morton Grove Niles Water Commission	25,000,000	40.12%	10,030,000
Glenview Park District	25,810,000	0.24%	61,944
Morton Grove Park District	11,727,765	99.42%	11,659,744
Skokie Park District	26,463,363	0.52%	137,609
Total Others	4,776,251,953		49,075,352
Total Overlapping Debt	179,977,363		67,610,108
Total Direct and Overlapping Debt	201,295,593		88,928,338

(1) Overlapping debt percentages based on 2022 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, 2023 (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, 2023 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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
2023	24,131	1,084,109,306	44,926	2.30%

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, 2023 (Unaudited)**

Employer	2023			2014		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Xylem	475	1	1.97%	650	2	3.00%
John Crane Inc	460	2	1.91%	700	1	2.80%
Amazon Fresh	300	3	1.24%	300	4	1.50%
Fareva	300	3	1.24%	300	4	0.90%
Lakeshore Recycling	225	4	0.93%			
Schwartz Paper Co/Bunzl Retail	200	5	0.83%	347	3	0.85%
Quantum Color Graphics	200	5	0.83%	170	7	0.70%
Integrated Merchandising	154	6	0.64%	150	8	0.60%
Illinois Bone & Joint	150	7	0.62%	150	8	0.64%
Menards	150	7	0.62%	150	8	0.64%
Cooper's Hawk	150	7	0.62%			
Bella Terra	125	8	0.52%			
Catering By Michael	120	9	0.50%	120	9	0.50%
Precision Plating	120	9	0.50%			
Regis Technologies	100	10	0.41%			
Shore Koenig Training Center				205	5	0.90%
MG Phamaceutical				190	6	0.80%
Lifeway Foods				100	10	0.40%
	<u>3,229</u>		<u>13.38%</u>	<u>3,532</u>		<u>14.23%</u>

Data Source: Village business licenses, 2023 Illinois Manufacturers Directory and 2023 Illinois Services Directory

VILLAGE OF MORTON GROVE, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years
December 31, 2023 (Unaudited)**

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years
December 31, 2023 (Unaudited)**

Function/Program	2014	2015	2016
General Government			
Administrative	4.5	4.0	4.0
Community Development	2.5	2.0	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	2.5	2.5	2.5
Building/Code Enforcement	5.0	4.0	4.0
Public Safety			
Police			
Officers	46.0	46.0	47.0
Civilians	17.0	15.0	15.0
Fire			
Firefighters and Officers	41.0	39.0	42.0
Civilians	3.0	2.5	2.5
Public Works			
Street Maintenance	20.0	20.0	19.0
Engineering	3.0	3.0	3.0
Vehicle Maintenance	4.0	4.0	4.0
Water and Sewer	12.0	13.5	12.5
Totals	168.5	163.5	165.0

Data Source: Village Budget Office

2017	2018	2019	2020	2021	2022	2023
5.0	4.0	4.0	4.0	3.0	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
1.5	1.5	1.5	1.5	1.5	1.5	1.5
6.0	6.0	6.0	6.0	5.0	6.0	6.0
—	—	—	—	—	—	—
2.5	2.5	2.5	2.5	2.5	2.5	2.5
4.0	3.5	3.0	3.0	3.0	3.0	3.0
47.0	47.0	46.0	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	3.5	4.0	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	13.5	13.5	13.5	13.5	13.5
166.5	165.0	165.5	166.0	164.0	165.0	165.0

VILLAGE OF MORTON GROVE, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2023 (Unaudited)**

Function/Program	2014	2015	2016
Public Safety			
Police			
Physical Arrests	551	438	430
Parking Violations	4,530	3,814	3,736
Traffic Violations	3,072	3,292	2,234
Fire			
Emergency Responses	3,631	3,694	3,771
Fires Extinguished	69	39	34
Public Works			
Street Resurfacing (Miles)	2	4	4
Potholes Repaired	160	104	109
Water			
New Connections	9	—	—
Water Mains Breaks	80	72	63
Average Daily Consumption	2,869,367	2,698,000	2,681,000
Peak Daily Consumption	3,628,000	5,086,000	3,650,000

Data Source: Various Village Departments

2017	2018	2019	2020	2021	2022	2023
377	421	503	235	357	363	280
2,861	4,241	3,677	1,366	1,395	1,231	1,078
2,546	3,688	2,723	1,052	1,522	1,306	1,200
3,927	3,992	3,961	3,530	4,065	4,464	4,295
35	61	106	96	83	108	66
1	2	2	—	1	1	1
102	122	87	86	85	78	80
—	—	—	—	—	—	—
69	82	86	79	94	84	41
2,547,000	2,787,000	2,777,000	2,816,000	2,609,000	2,392,000	2,293,000
3,381,000	3,898,000	4,123,000	5,573,000	3,982,000	3,182,000	2,932,000

VILLAGE OF MORTON GROVE, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2023 (Unaudited)**

Function/Program	2014	2015	2016
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	357
Traffic Signals	13	13	13
Water			
Water Mains (Miles)	98.9	98.9	99.0
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

2017	2018	2019	2020	2021	2022	2023
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	40.6	40.6	40.6	40.6	40.6	40.6
70.6	44.8	44.8	44.8	44.8	44.8	44.8
23.6	21.3	21.1	21.1	21.1	21.1	21.1