

Village of Morton Grove

Morton Grove, Illinois



Incredibly Close  Amazingly Open

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2020

VILLAGE OF MORTON GROVE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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 of Morton Grove including:

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

VILLGE OF MORTON GROVE, ILLINOIS

List of Principal Officials December 31, 2020

LEGISLATIVE

Daniel DiMaria, Village President
(Term Ends April 2021)

Eileen Scanlon Harford, Village Clerk
(Term Ends April 2021)

TRUSTEES

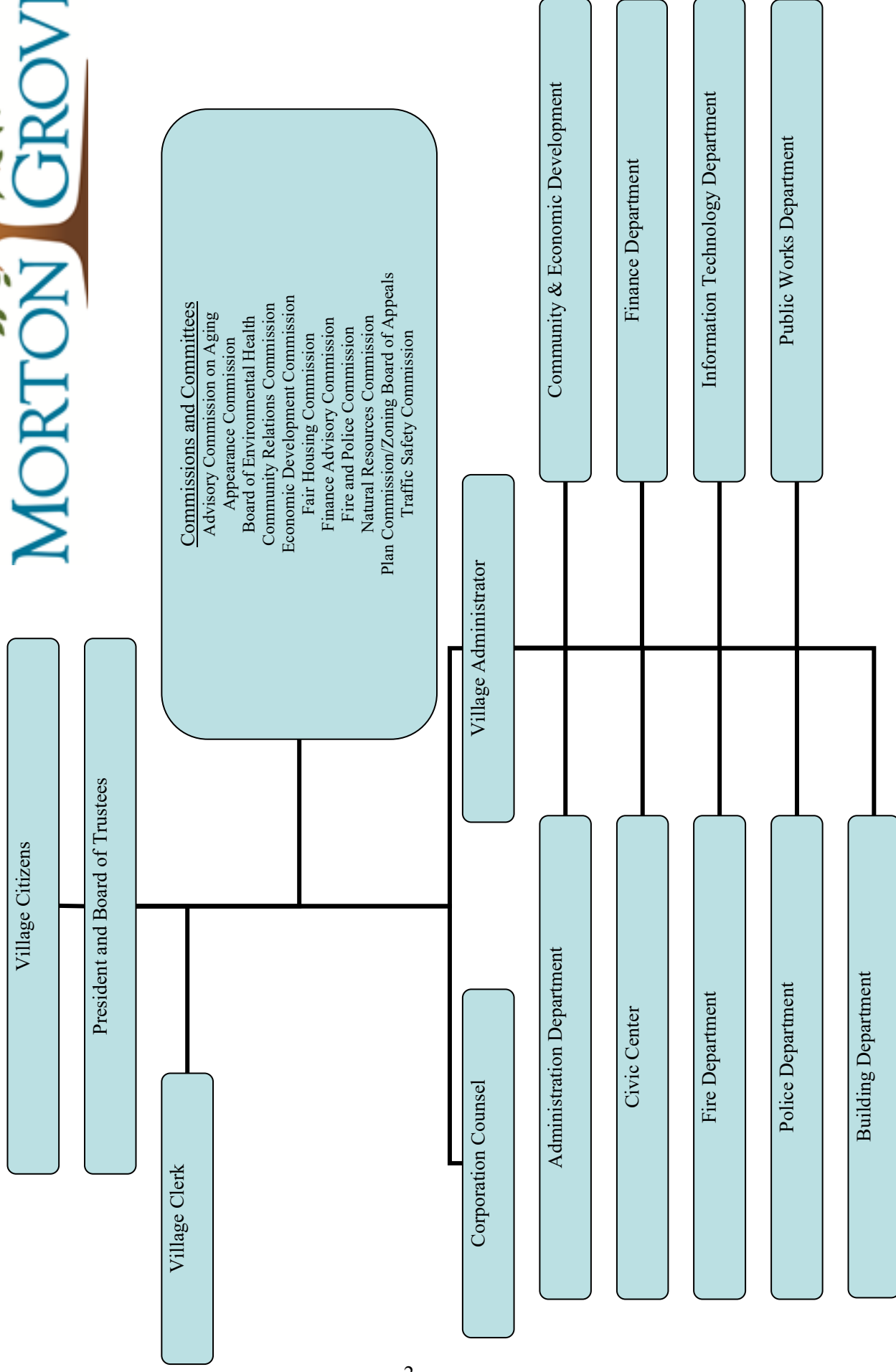
Bill Grear, Term Ends April 2021
Rita Minx, Term Ends April 2022
Connie Travis, Term Ends April 2021
John Thill, Term Ends April 2022
Janine Witko, Term Ends April 2022
Ed Ramos, Term Ends April 2021

ADMINISTRATIVE

(Appointments End December 31, 2020)

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

Village of Morton Grove Organization Chart



October 27, 2021

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

The Comprehensive Annual Financial Report of the Village of Morton Grove, Illinois for the year ended December 31, 2020, 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, 2020. 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 23,089 residents according to the 2010 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 Comprehensive Annual Financial Report includes all of its governmental operation funds, pension trust funds (the Morton Grove Firefighters' Pension Fund, Morton Grove Police Pension Fund, and the General Pension Fund). The accompanying financial statements include only those funds of the Village, as there is no other organization for which it has financial accountability. The pension funds are determined to be pension trust funds due to their fiduciary and fiscal relationships with the Village as their sole purpose is to provide retirement benefits to the Village's civilian employees, sworn firefighters and police officers. The Public Library is no longer reported as a discrete component unit with the implementation of GASB Statement No 61.

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

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

Local Economy

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

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

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 \$85,360, and the median income for a family was \$101,967. Males had a median income of \$56,602 versus \$43,314 for females. The per capita income for the Village was \$38,381. About 5.2% of families and 7.14% of the population were below the poverty line, including 8.7% of those families with children under age 18 and 3.2% 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. However, 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.

Several important revenue sources are affected by economic conditions beyond the Village's control. The State continues to reduce the amount of shared revenues transmitted to the Village. Additionally, property tax receipts collected by the Cook County are in flux as the billing and payment deadline dates are often delayed 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 two tax increment financing districts (TIF). The Lehigh/Ferris tax increment district has been designated for transit-oriented development which has fostered new condominium and town home development. A main Village arterial street has also been improved with water main improvements planned in the upcoming years which will allow for needed infrastructure upgrades.

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 Sawmill Station tax increment financing district in 2019 to support the development of a 32-acre shopping plaza that was mostly vacant. The redevelopment is in process with several new businesses opening in 2020. Other new businesses will open in 2021 and an apartment complex is also being developed. The Village issued \$18 million dollars in TIF revenue bonds for project funding. It is important to note these are not general obligation bonds and will only be paid from revenues generated by the TIF.

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 will be a significant savings over the current water rates the Village pays to the City of Chicago. The Village began taking some water from Evanston in December 2018 and will be fully on Evanston water by 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 comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the thirty-second consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual 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 comprehensive annual 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,

A handwritten signature in black ink, appearing to read 'Hanna Sullivan', followed by a period.

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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

October 27, 2021

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Morton Grove, Illinois, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Morton Grove Police Pension Fund and Morton Grove Firefighters' Pension Fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Morton Grove Police Pension Fund and Morton Grove Firefighters' Pension Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Morton Grove, Illinois, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Morton Grove, Illinois' basic financial statements. The introductory section, other supplementary information, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Matters – Continued

Other Information – Continued

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF MORTON GROVE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

As management of the Village of Morton Grove, Illinois ("the Village") or ("Morton Grove"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the calendar year ended December 31, 2020.

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

(See independent auditor's report.)

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.

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 Debt Service Fund, the Lehigh/Ferris TIF Fund, the Waukegan Road TIF Fund, the Sawmill Station TIF 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 non-major 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.

(See independent auditor's report.)

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.

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, Sheriff'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.

(See independent auditor's report.)

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, 2020, compared to December 31, 2019:

Village of Morton Grove Net Position (in thousands)						
	Governmental Activities		Business-Type Activities		Total	
Category	12/31/20	12/31/19	12/31/20	12/31/19	12/31/20	12/31/19
Current and other assets	\$ 46,771	\$ 51,189	\$ 4,467	\$ 4,714	\$ 51,238	\$ 55,903
Capital assets	54,637	55,403	9,868	9,766	64,505	65,169
Total assets	101,408	106,592	14,335	14,480	115,743	121,072
Deferred outflows	9,800	12,764	448	634	10,248	13,398
Total assets and deferred outflows	111,208	119,356	14,783	15,114	125,991	134,470
Current and other Liabilities	4,949	5,845	501	1,232	5,450	7,077
Long-Term liabilities	116,266	136,452	7,776	9,074	124,042	145,526
Total liabilities	121,215	142,297	8,277	10,306	129,492	152,603
Deferred inflows	35,857	23,230	652	152	36,509	23,382
Total liabilities and deferred inflows	157,072	165,527	8,929	10,458	166,001	175,985
Net position:						
Net investment in capital assets	45,732	44,113	7,393	7,096	53,125	51,209
Restricted	23,426	28,358	-	-	23,426	28,358
Unrestricted	(115,022)	(118,642)	(1,539)	(2,440)	(116,561)	(121,082)
Total net position	\$ (45,864)	\$ (46,171)	\$ 5,854	\$ 4,656	\$ (40,010)	\$ (41,515)

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 \$53,125,013, 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.

(See independent auditor's report.)

An additional portion, \$23,426,347, 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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(See independent auditor's report.)

VILLAGE OF MORTON GROVE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 (in thousands)						
	Governmental Activities		Business-Type Activities		Total	
Category	12/31/20	12/31/19	12/31/20	12/31/19	12/31/20	12/31/19
Revenues						
Program revenues						
Charges for services	\$ 4,928	\$ 4,878	\$ 10,125	\$ 10,249	\$ 15,053	\$ 15,127
Operating Grants	1,358	763	-	-	1,358	763
Capital Grants	544	173			544	173
General revenues						
Taxes	29,889	30,004	-	-	29,889	30,004
Investment income	207	367	10	40	217	407
Miscellaneous	1,035	512	191	213	1,226	725
Total revenues	37,961	36,697	10,326	10,502	48,287	47,199
Expenses						
General government	3,008	5,212			3,008	5,212
Public safety	20,432	26,095			20,432	26,095
Streets and sidewalks	4,086	3,413			4,086	3,413
Vehicle maintenance	743	853			743	853
Health and human services	12	50			12	50
Community development	8,126	9,496			8,126	9,496
Building and inspectional services	814	1,554			814	1,554
Interest	433	645			433	645
Water and sewer			7,277	10,789	7,277	10,789
Solid Waste			1,815	2,101	1,815	2,101
Municipal Parking				10	-	10
Morton Grove Days			36	141	36	141
Total expenses	37,654	47,318	9,128	13,041	46,782	60,359
Change in net position	307	(10,621)	1,198	(2,539)	1,505	(13,160)
Net position - January 1	(46,171)	(35,550)	4,656	7,195	(41,515)	(28,355)
Net position - December 31	\$ (45,864)	\$ (46,171)	\$ 5,854	\$ 4,656	\$ (40,010)	(41,515)

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(See independent auditor's report.)

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.

(See independent auditor's report.)

GOVERNMENTAL ACTIVITIES

Revenues:

Revenues for governmental activities totaled \$37,959,661 at December 31, 2020.

- Property tax continues to be the Village's largest revenue source totaling \$14,816,068 representing 39.03% of total governmental activity revenue. Sales tax revenue was \$7,277,424 or 19.17% of total governmental activity revenue. Charges for Services revenue was \$4,928,241 or 12.98% of total governmental activity revenue. State income tax revenue was \$2,528,726 or 6.66% of total governmental activity revenue. Miscellaneous taxes revenue (local use, real estate transfer, hotel & motel tax, and others) was \$3,296,203 or 8.68% of total governmental activity revenue. Telecommunication tax was \$455,579 or 1.20% of total governmental activity revenue. A utility tax (Electric, Gasoline & Natural gas tax) was \$1,513,744 or 3.99% of total governmental activity revenue.

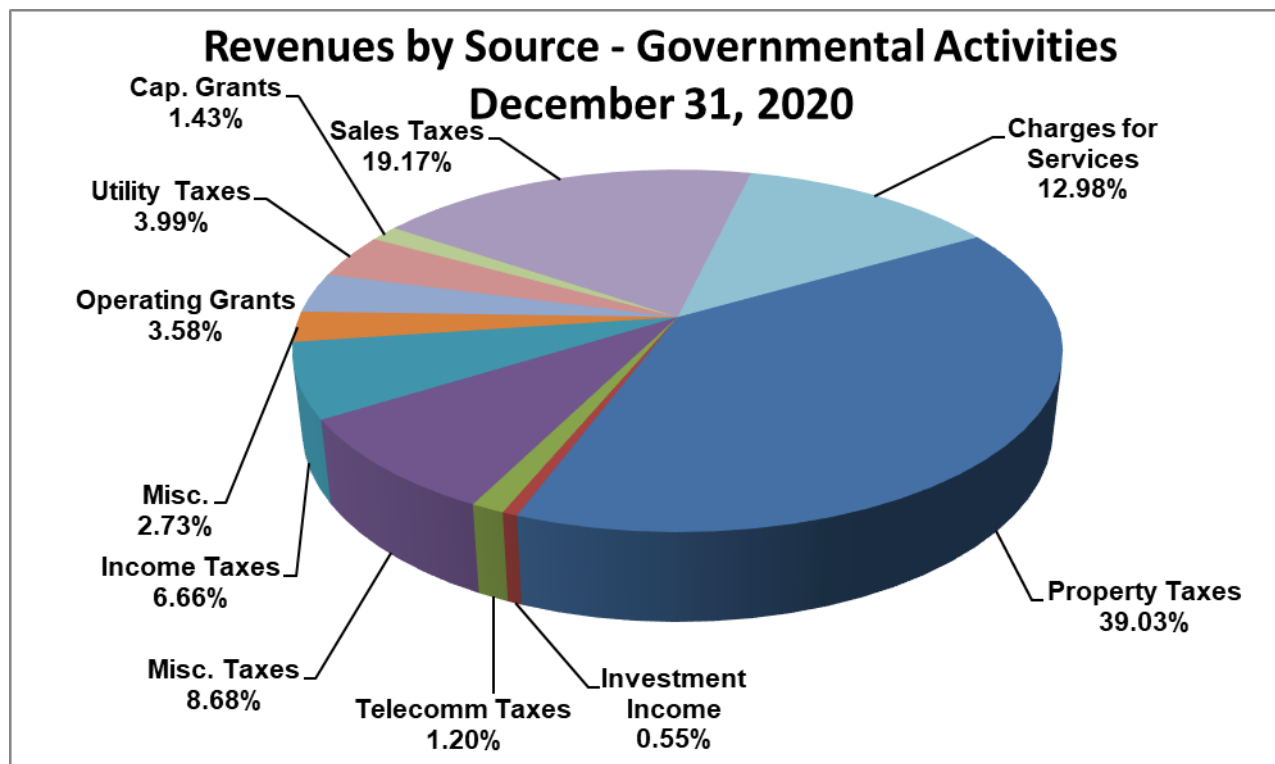
Comparison with Prior Year.

- Property tax revenue increased by \$777,840 or 5.54% from prior year due to an increase in the total incremental property tax received by the TIF funds. Sales tax revenue decreased by \$761,174 or 9.47% from prior year due to impact of the Covid-19 pandemic. Charges for Services revenue increased by \$49,769 or 1.02% from prior year. State income tax revenue increased by \$51,889 or 2.09% from prior year partially due to changes in distribution at the State level. Miscellaneous taxes revenue (local use, real estate transfer, hotel & motel tax, food & beverage, and others) decreased by \$47,075 or 1.41% from prior year. While some taxes such as food and beverage and hotel/motel tax decreased due to the pandemic, other taxes such as local use and real estate transfer taxes saw an increase. Telecommunication decreased by \$58,705 or 11.41% 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 \$79,015 or 4.96% from prior year. Utility taxes have declined somewhat due to more efficient use by customers, but the revenues are also largely tied to the weather.

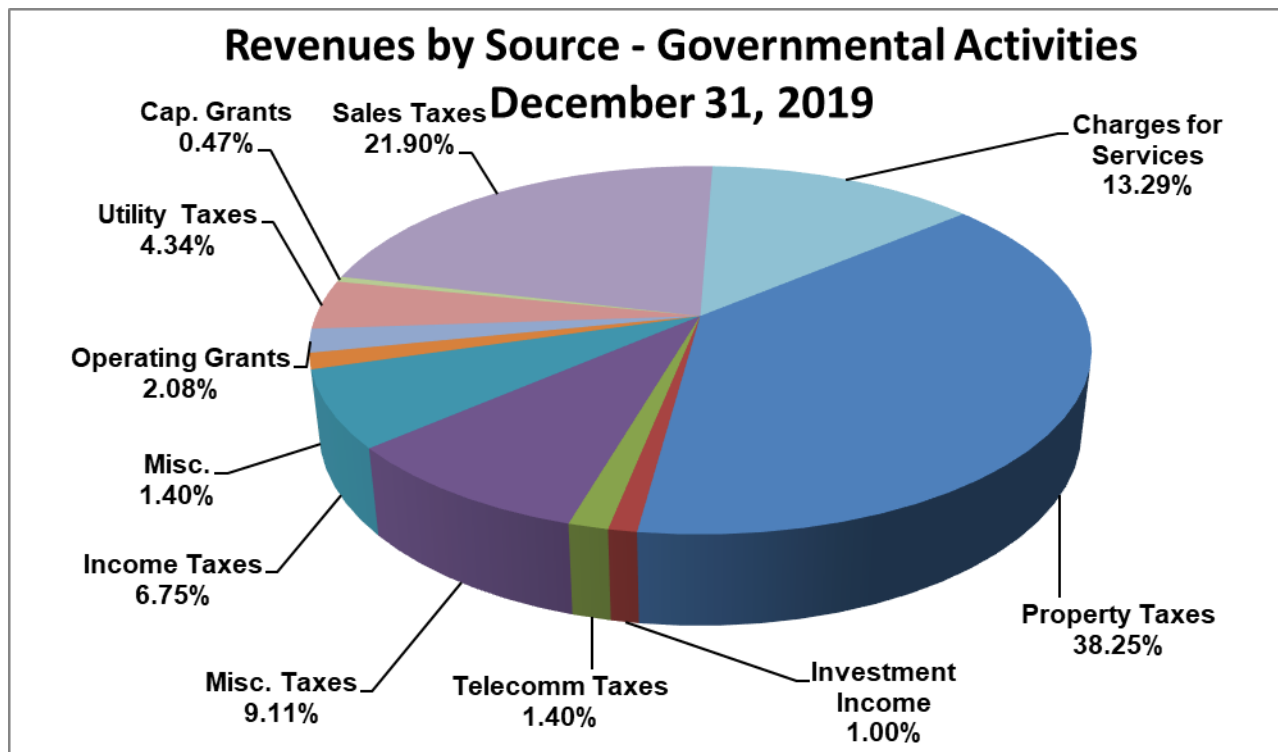
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(See independent auditor's report.)

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



Prior Year Revenue by Source – Governmental Activities – For Comparison



(See independent auditor's report.)

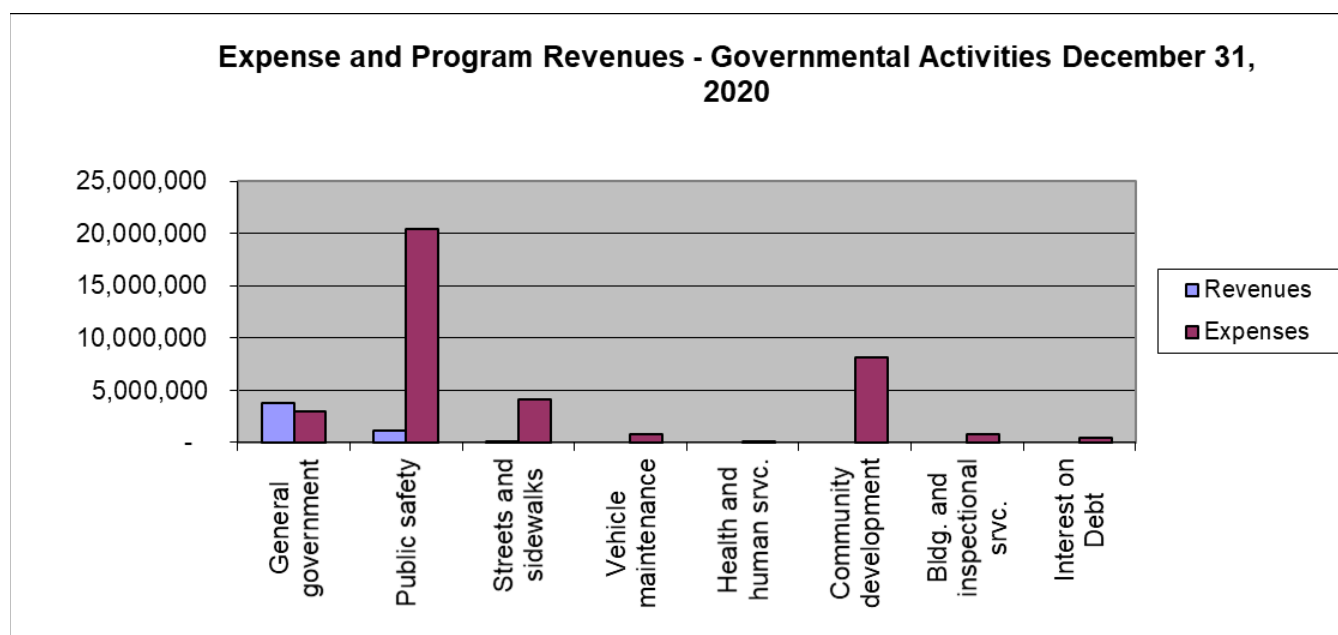
**VILLAGE OF MORTON GROVE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Expenses

Expenses for governmental activities were \$37,653,719 at December 31, 2020, and \$47,318,427 at December 31, 2019, a decrease of \$9,664,719 or 20.42%

The decrease in expense for governmental activities is due to a large amount of project funding in the Sawmill Station TIF District in 2019.

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



BUSINESS-TYPE ACTIVITIES

Business-Type activities posted program revenues of \$10,125,482, while the costs of all business-type activities totaled \$9,127,679. Revenues exceeded expenses by \$997,803 prior to interest and miscellaneous income of \$200,467. This was due to a reduction in expense for the cost of water due to the transition to the Morton Grove Niles Water Commission for water purchased.

(See independent auditor's report.)

Revenues

In 2020 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 \$27,853 or 0.34%.

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 2020 Solid Waste operating revenues increased by \$16,721 or 0.81%.

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 2020. Operating revenues for 2020 decreased by \$43,758 or 79.29%.

In 2017 the Village created the Morton Grove Days Fund to account for the annual festival held over the Fourth of July. In 2020 the Morton Grove Days event was cancelled due to the pandemic. There were no operating revenues.

Expenses

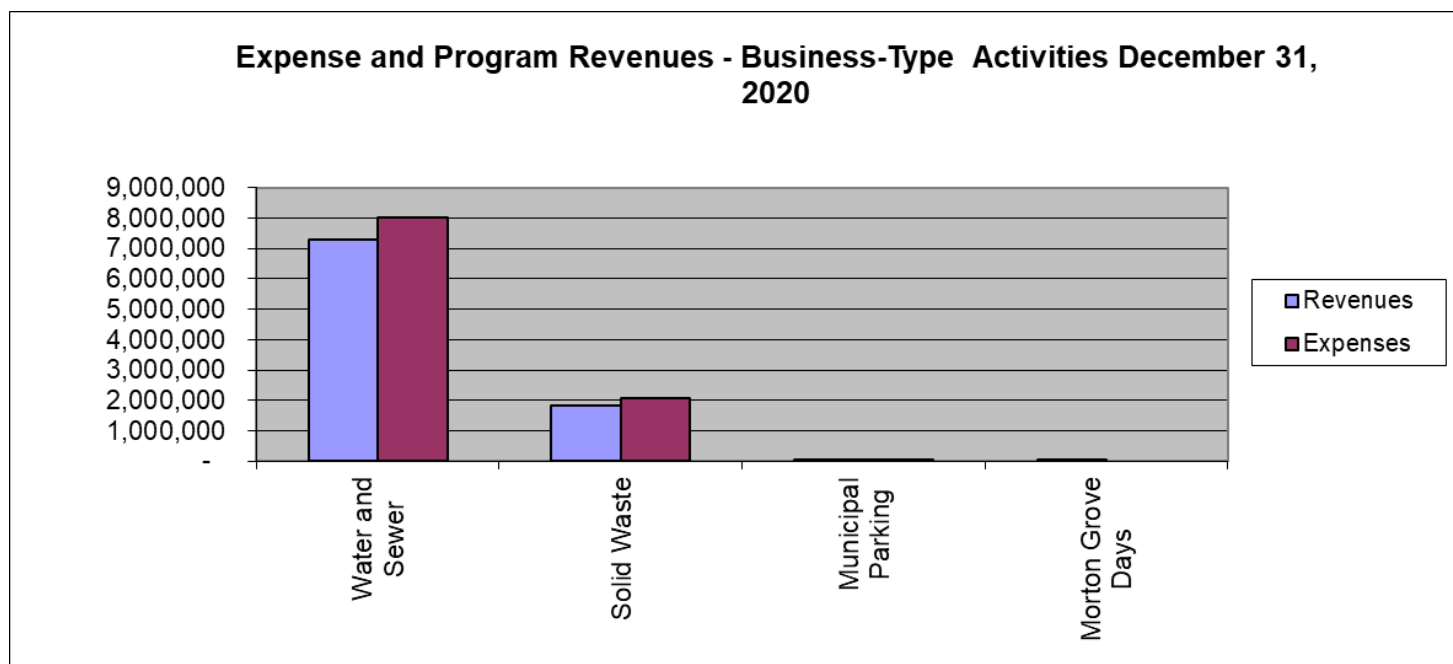
Total expenses for Water and Sewer Fund activities totaled \$7,276,909, a decrease of \$3,511,718, or 32.55% from prior year. In 2019 the Village was finishing a transition in water supply which required additional expense during conversion and enhancement of the water system. In 2020 the Village started to see the full savings of the water transition.

Total expenses for Solid Waste Fund activities totaled \$1,814,565, a decrease of \$285,965, or 13.61%, from prior year because of a new contract for services reduced costs.

Total expenses from Municipal Parking Fund activities decreased \$10,363 due to the parking lot not being utilized because of the pandemic.

The expenses from the Morton Grove Days Fund were \$36,143 but will be reimbursed by the Morton Grove Days Commission.

(See independent auditor's report.)



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 \$33,849,447, which is a decrease of \$3,370,172, from last year's total of \$37,219,619. This is due expenditures for projects in the Sawmill Station TIF.

General Fund: The General Fund reported a deficit for the year of \$197,124. Revenues were less than the budgeted amount due to the impact of the Covid-19 pandemic. Expenditures were also less than budget and decreased from the prior year. The Village cancelled any non-essential capital projects to help contain costs to offset reduced revenues.

The General Fund is the chief operating fund of the Village. At December 31, 2020, unassigned fund balance in the General Fund was \$10,357,207, which represents 89.33% 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 35.51% of total budgeted General Fund expenditures.

(See independent auditor's report.)

Lehigh Ferris TIF Fund: Reported a fund balance increase of \$2,426,080 due to less funding of TIF projects.

Waukegan Road TIF Fund: Reported no fund balance as the TIF was closed and the remaining amounts were transferred to the Sawmill TIF.

Sawmill Station TIF Fund: This was a new fund in 2019 and reported a decrease of \$8,306,394 due to project funding.

Debt Service Fund: Reported a fund balance decrease of \$349,152 because of debt service payments. The 2010 bonds were refunded in 2019. The new 2020 refunding bonds carry a lower interest rate.

Capital Projects Fund: Reported a fund balance increase of \$345,263 as a result of capital projects being deferred until 2021.

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 transitioned 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, 2020, was \$64,487,753 (net of accumulated depreciation). This investment in capital assets includes land (right of way), buildings, improvements, machinery & equipment, 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.

(See independent auditor's report.)

**VILLAGE OF MORTON GROVE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Capital Assets - Net of Depreciation (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	12/31/20	12/31/19	12/31/20	12/31/19	12/31/20	12/31/19
Construction in Progress	\$ 148	\$ 111	\$ 13	\$ 13	\$ 161	\$ 124
Right of Ways	43,972	43,972	-	-	43,972	43,972
Infrastructure	4,870	5,386	-	-	4,870	5,386
Buildings and Improvements	3,874	4,229	7,918	7,775	11,792	12,004
Machinery, Equipment and Vehicles	1,756	1,706	1,937	1,978	3,693	3,684
Total	\$ 54,620	\$ 55,403	\$ 9,868	\$ 9,767	\$ 64,488	\$ 65,170

LONG-TERM DEBT

At year-end, the Village had total outstanding debt of \$28,960,000, as compared to \$31,335,571 the previous year. In 2019 the Village issued \$18,635,000 of Sawmill Station TIF Revenue bonds. These bonds are not general obligation and are only payable from revenues generated by the Sawmill Station TIF.

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

Long Term Debt (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	12/31/20	12/31/19	12/31/20	12/31/19	12/31/20	12/31/19
General Obligation Bonds	\$ 8,094	\$ 10,140	\$ 2,231	\$ 2,400	\$ 10,325	\$ 12,540
TIF Revenue Bonds	18,635	18,635	-	-	18,635	18,635
Installment Notes	-	161	-	-	-	161
Total Long Term Debt	\$ 26,730	\$ 28,937	\$ 2,231	\$ 2,400	\$ 28,960	\$ 31,336

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

Although the Village had seen growth in the economy in the spring of 2020, the spread of the coronavirus caused the Governor of Illinois to issue an executive order closing many businesses for several months. This has had a dramatic effect on some revenues, particularly sales taxes. 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 Village took steps to reduce expenditures for 2020 in light of the economic situation. The President signed the American Rescue Plan Act in 2021. This Act provides for federal funding to local governments to replace lost revenue due to the pandemic and provide for investment in infrastructure. The Village anticipates receiving around \$3 million dollars over the next two years. Some challenges that will be considered during the development of 2022 budget are

(See independent auditor's report.)

the next two years. Some challenges that will be considered during the development of 2022 budget are possible future effects of Covid 19, 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.

(See independent auditor's report.)

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 statements.

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Net Position

December 31, 2020

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Net Position

December 31, 2020

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 21,096,988	1,439,053	22,536,041
Receivables - Net of Allowances	17,819,067	3,602,436	21,421,503
Internal Balances	606,667	(606,667)	-
Prepays/Land Held for Resale	7,248,070	32,303	7,280,373
Total Current Assets	46,770,792	4,467,125	51,237,917
Noncurrent Assets			
Capital Assets			
Nondepreciable	44,119,913	12,889	44,132,802
Depreciable	60,769,891	21,327,454	82,097,345
Accumulated Depreciation	(50,269,950)	(11,472,444)	(61,742,394)
Total Capital Assets	54,619,854	9,867,899	64,487,753
Net Pension Asset - SLEP	16,568	-	16,568
Total Noncurrent Assets	54,636,422	9,867,899	64,504,321
Total Assets	101,407,214	14,335,024	115,742,238
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	236,007	53,119	289,126
Deferred Items - MERF	346,560	145,922	492,482
Deferred Items - Police Pension	6,020,015	-	6,020,015
Deferred Items - Firefighters' Pension	790,872	-	790,872
Deferred Items - RBP	2,338,507	249,212	2,587,719
Unamortized Loss on Refunding	68,254	-	68,254
Total Deferred Outflows of Resources	9,800,215	448,253	10,248,468
Total Assets and Deferred Outflows of Resources	111,207,429	14,783,277	125,990,706

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,162,688	218,812	1,381,500
Accrued Interest Payable	462,615	3,872	466,487
Deposits Payable	426,863	26,347	453,210
Other Liabilities	283,556	35,465	319,021
Current Portion of Long-Term Debt	2,613,269	216,108	2,829,377
Total Current Liabilities	4,948,991	500,604	5,449,595
Noncurrent Liabilities			
Compensated Absences Payable	943,307	98,831	1,042,138
Net Pension Liability - IMRF	276,672	62,272	338,944
Net Pension Liability - MERF	8,906,996	3,750,380	12,657,376
Net Pension Liability - Police Pension	34,821,432	-	34,821,432
Net Pension Liability - Firefighters' Pension	30,386,871	-	30,386,871
Total OPEB Liability - RBP	14,843,671	1,581,871	16,425,542
General Obligations Bonds Payable - Net	6,797,880	2,283,114	9,080,994
Tax Increment Financing Revenue Bonds Payable - Net	18,808,664	-	18,808,664
Intergovernmental Agreement Payable	480,262	-	480,262
Total Noncurrent Liabilities	116,265,755	7,776,468	124,042,223
Total Liabilities	121,214,746	8,277,072	129,491,818
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	501,992	112,985	614,977
Deferred Items - SLEP	12,238	-	12,238
Deferred Items - Police Pension	10,856,483	-	10,856,483
Deferred Items - Firefighters' Pension	8,382,069	-	8,382,069
Deferred Items - RBP	5,055,966	538,808	5,594,774
Property Taxes	11,048,238	-	11,048,238
Total Deferred Inflows of Resources	35,856,986	651,793	36,508,779
Total Liabilities and Deferred Inflows of Resources	157,071,732	8,928,865	166,000,597
NET POSITION			
Net Investment in Capital Assets	45,731,628	7,393,385	53,125,013
Restricted - IMRF	88,103	-	88,103
Restricted - Public Safety	1,805,103	-	1,805,103
Restricted - Streets and Sidewalks	1,606,434	-	1,606,434
Restricted - Community Development	18,337,079	-	18,337,079
Restricted - Capital Improvements	1,589,628	-	1,589,628
Unrestricted (Deficit)	(115,022,278)	(1,538,973)	(116,561,251)
Total Net Position	(45,864,303)	5,854,412	(40,009,891)

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, 2020

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 3,008,128	3,724,176	-	-
Public Safety	20,431,755	1,178,635	-	-
Streets and Sidewalks	4,085,760	25,430	1,358,021	543,737
Vehicle and Maintenance	742,774	-	-	-
Health and Human Services	11,448	-	-	-
Community Development	8,126,273	-	-	-
Building and Inspection Services	814,303	-	-	-
Interest on Long-Term Debt	433,278	-	-	-
Total Governmental Activities	37,653,719	4,928,241	1,358,021	543,737
Business-Type Activities				
Water and Sewer	7,276,909	8,026,231	-	-
Solid Waste	1,814,565	2,087,825	-	-
Municipal Parking	62	11,426	-	-
Morton Grove Days	36,143	-	-	-
Total Business-Type Activities	9,127,679	10,125,482	-	-
Total Primary Government	46,781,398	15,053,723	1,358,021	543,737

General Revenues

Taxes

Property Taxes

Telecommunications Taxes

Utility Taxes

Home Rule Sales Taxes

Other Taxes

Intergovernmental - Unrestricted

Personal Property

Replacement Taxes

Sales Taxes

State Income Taxes

Local Use Taxes

Interest 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
716,048	-	716,048
(19,253,120)	-	(19,253,120)
(2,158,572)	-	(2,158,572)
(742,774)	-	(742,774)
(11,448)	-	(11,448)
(8,126,273)	-	(8,126,273)
(814,303)	-	(814,303)
(433,278)	-	(433,278)
(30,823,720)	-	(30,823,720)
-	749,322	749,322
-	273,260	273,260
-	11,364	11,364
-	(36,143)	(36,143)
-	997,803	997,803
(30,823,720)	997,803	(29,825,917)
14,816,068	-	14,816,068
455,579	-	455,579
1,513,744	-	1,513,744
2,044,130	-	2,044,130
1,827,273	-	1,827,273
429,849	-	429,849
5,233,294	-	5,233,294
2,528,726	-	2,528,726
1,039,081	-	1,039,081
207,119	9,545	216,664
1,034,799	190,922	1,225,721
31,129,662	200,467	31,330,129
305,942	1,198,270	1,504,212
(46,170,245)	4,656,142	(41,514,103)
(45,864,303)	5,854,412	(40,009,891)

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

VILLAGE OF MORTON GROVE, ILLINOIS

Balance Sheet - Governmental Funds December 31, 2020

	General	Lehigh/ Ferris Tax Increment Financing
ASSETS		
Cash and Investments	\$ 2,693,437	7,671,443
Receivables - Net of Allowances		
Property Taxes	10,039,005	1,024
Other Taxes	1,681,750	-
Accounts	1,386,110	-
Loan to Developer	-	3,370,000
IRMA Excess Surplus	1,485,634	-
IPBC Terminal Reserve	1,147,574	-
Due from Other Funds	3,862,095	44,364
Advances to Other Funds	1,148,930	-
Prepays	192	-
Land Held for Resale	-	4,614,670
Total Assets	23,444,727	15,701,501
LIABILITIES		
Accounts Payable	1,100,302	1,256
Deposits Payable	420,062	-
Other Liabilities	283,556	-
Due to Other Funds	7,370	-
Advances from Other Funds	-	-
Total Liabilities	1,811,290	1,256
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	10,039,005	-
Total Liabilities and Deferred Inflows of Resources	11,850,295	1,256
FUND BALANCES		
Nonspendable	1,149,122	-
Restricted	88,103	15,700,245
Unassigned	10,357,207	-
Total Fund Balances	11,594,432	15,700,245
Total Liabilities, Deferred Inflows of Resources and Fund Balances	23,444,727	15,701,501

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

Special Revenue					
Waukegan Road Tax Increment Financing	Sawmill Station Tax Increment Financing	Debt Service	Capital Projects	Nonmajor	Totals
-	5,778,363	-	1,609,433	3,344,312	21,096,988
-	3,450	1,009,233	-	-	11,052,712
-	-	37,500	6,250	284,745	2,010,245
-	-	-	-	-	1,386,110
-	-	-	-	-	3,370,000
-	-	-	-	-	1,485,634
-	-	-	-	-	1,147,574
-	-	-	-	7,370	3,913,829
-	-	-	-	-	1,148,930
-	-	-	-	-	192
-	-	-	-	-	4,614,670
-	5,781,813	1,046,733	1,615,683	3,636,427	51,226,884
-	17,500	-	26,055	17,575	1,162,688
-	6,801	-	-	-	426,863
-	-	-	-	-	283,556
-	1,971,748	270,399	-	1,057,645	3,307,162
-	1,148,930	-	-	-	1,148,930
-	3,144,979	270,399	26,055	1,075,220	6,329,199
-	-	1,009,233	-	-	11,048,238
-	3,144,979	1,279,632	26,055	1,075,220	17,377,437
-	-	-	-	-	1,149,122
-	2,636,834	-	1,589,628	3,411,537	23,426,347
-	-	(232,899)	-	(850,330)	9,273,978
-	2,636,834	(232,899)	1,589,628	2,561,207	33,849,447
-	5,781,813	1,046,733	1,615,683	3,636,427	51,226,884

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

VILLAGE OF MORTON GROVE, ILLINOIS

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

December 31, 2020

Total Governmental Fund Balances	\$ 33,849,447
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	54,619,854
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Deferred outflows (inflows) of resources related to the pensions not reported
in the funds.

Deferred Items - IMRF	(265,985)
Deferred Items - SLEP	(12,238)
Deferred Items - MERF	346,560
Deferred Items - Police Pension	(4,836,468)
Deferred Items - Firefighters' Pension	(7,591,197)
Deferred Items - RBP	(2,717,459)

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Compensated Absences Payable	(1,179,134)
Net Pension Liability - IMRF	(276,672)
Net Pension Asset - SLEP	16,568
Net Pension Liability - MERF	(8,906,996)
Net Pension Liability - Police Pension	(34,821,432)
Net Pension Liability - Firefighters' Pension	(30,386,871)
Total OPEB Liability - RBP	(14,843,671)
General Obligation Bonds Payable - Net	(8,956,480)
Tax Increment Financing Revenue Bonds Payable - Net	(18,808,664)
Unamortized Loss on Refunding	68,254
Intergovernmental Agreement Payable	(699,104)
Accrued Interest Payable	(462,615)

Net Position of Governmental Activities	<u>(45,864,303)</u>
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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, 2020**

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, 2020

	General	Lehigh/ Ferris Tax Increment Financing
Revenues		
Taxes	\$ 15,674,325	3,340,753
Intergovernmental	8,784,347	-
Charges for Services	1,164,736	-
Licenses and Permits	2,559,440	-
Fines and Forfeitures	484,020	-
Interest Income	109,125	5,503
Miscellaneous	926,757	17,000
Total Revenues	29,702,750	3,363,256
Expenditures		
Current		
General Government	3,710,182	-
Public Safety	21,006,460	-
Streets and Sidewalks	2,364,624	-
Vehicle and Maintenance	742,774	-
Health and Human Services	11,448	-
Community Development	122,233	151,376
Building and Inspection Services	1,205,278	-
Capital Outlay	-	-
Debt Service		
Principal Retirement	-	620,000
Interest and Fiscal Charges	-	165,800
Total Expenditures	29,162,999	937,176
Excess (Deficiency) of Revenues Over (Under) Expenditures	539,751	2,426,080
Other Financing Sources (Uses)		
Transfers In	-	-
Transfers Out	(736,875)	-
	(736,875)	-
Net Change in Fund Balances	(197,124)	2,426,080
Fund Balances - Beginning	11,791,556	13,274,165
Fund Balances - Ending	11,594,432	15,700,245

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

Special Revenue					
Waukegan Road Tax Increment Financing	Sawmill Station Tax Increment Financing	Debt Service	Capital Projects	Nonmajor	Totals
-	686,765	954,951	-	-	20,656,794
-	-	139,570	62,751	2,212,481	11,199,149
-	-	-	-	653,604	1,818,340
-	-	-	-	-	2,559,440
-	-	-	-	-	484,020
-	41,305	9,373	19,562	22,251	207,119
-	91,042	-	-	-	1,034,799
-	819,112	1,103,894	82,313	2,888,336	37,959,661
-	-	-	-	-	3,710,182
-	-	-	-	680,461	21,686,921
-	-	-	-	769,535	3,134,159
-	-	-	-	-	742,774
-	-	-	-	-	11,448
-	7,310,492	-	-	542,172	8,126,273
-	-	-	-	-	1,205,278
-	-	-	37,077	-	37,077
-	-	1,586,171	-	-	2,206,171
-	-	303,750	-	-	469,550
-	7,310,492	1,889,921	37,077	1,992,168	41,329,833
-	(6,491,380)	(786,027)	45,236	896,168	(3,370,172)
1,566,912	-	436,875	300,000	248,102	2,551,889
-	(1,815,014)	-	-	-	(2,551,889)
1,566,912	(1,815,014)	436,875	300,000	248,102	-
1,566,912	(8,306,394)	(349,152)	345,236	1,144,270	(3,370,172)
(1,566,912)	10,943,228	116,253	1,244,392	1,416,937	37,219,619
-	2,636,834	(232,899)	1,589,628	2,561,207	33,849,447

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 to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended December 31, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ (3,370,172)
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Amounts reported for governmental activities in the Statement of Activities
are different because:

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

Capital Outlays	722,483
Depreciation Expense	(1,506,091)
Disposals - Cost	(275,989)
Disposals - Accumulated Depreciation	275,989

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

Change in Deferred Items - IMRF	(164,347)
Change in Deferred Items - SLEP	(5,835)
Change in Deferred Items - MERF	(331,507)
Change in Deferred Items - Police Pension	(8,366,197)
Change in Deferred Items - Firefighters' Pension	(2,054,645)
Change in Deferred Items - RBP	(4,645,910)

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	(51,735)
Change in Net Pension Liability - IMRF	345,006
Change in Net Pension Asset - SLEP	10,480
Change in Net Pension Liability - MERF	972,972
Change in Net Pension Liability - Police Pension	8,629,855
Change in Net Pension Liability - Firefighters' Pension	2,814,064
Change in Total OPEB Liability - RBP	4,858,802
Amortization of Premium on Debt Issuance	227,637
Amortization of Loss on Refunding	(22,751)
Retirement of Debt	2,412,447

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.

Changes in Net Position of Governmental Activities	(168,614)
	305,942

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, 2020**

See Following Page

VILLAGE OF MORTON GROVE, ILLINOIS**Statement of Net Position - Proprietary Funds
December 31, 2020**

	Business-Type Activities - Enterprise		
	Water and Sewer	Nonmajor	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ -	1,439,053	1,439,053
Receivables - Net of Allowances			
Accounts	3,525,415	77,021	3,602,436
Prepays	-	32,303	32,303
Total Current Assets	3,525,415	1,548,377	5,073,792
Noncurrent Assets			
Capital Assets			
Nondepreciable	12,889	-	12,889
Depreciable	21,327,454	-	21,327,454
Accumulated Depreciation	(11,472,444)	-	(11,472,444)
Total Noncurrent Assets	9,867,899	-	9,867,899
Total Assets	13,393,314	1,548,377	14,941,691
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	53,119	-	53,119
Deferred Items - MERF	145,922	-	145,922
Deferred Items - RBP	249,212	-	249,212
Total Deferred Outflows of Resources	448,253	-	448,253
Total Assets and Deferred Outflows of Resources	13,841,567	1,548,377	15,389,944

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

	Business-Type Activities - Enterprise		
	Water and Sewer	Nonmajor	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 180,680	38,132	218,812
Accrued Interest Payable	3,872	-	3,872
Deposits Payable	26,347	-	26,347
Other Liabilities	-	35,465	35,465
Due to Other Funds	587,845	18,822	606,667
Current Portion of Long-Term Debt	216,108	-	216,108
Total Current Liabilities	1,014,852	92,419	1,107,271
Noncurrent Liabilities			
Compensated Absences	98,831	-	98,831
Net Pension Liability - IMRF	62,272	-	62,272
Net Pension Liability - MERF	3,750,380	-	3,750,380
Total OPEB Liability - RBP	1,581,871	-	1,581,871
General Obligations Bonds Payable - Net	2,283,114	-	2,283,114
Total Noncurrent Liabilities	7,776,468	-	7,776,468
Total Liabilities	8,791,320	92,419	8,883,739
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	112,985	-	112,985
Deferred Items - RBP	538,808	-	538,808
Total Deferred Inflows of Resources	651,793	-	651,793
Total Liabilities and Deferred Inflows of Resources	9,443,113	92,419	9,535,532
NET POSITION			
Net Investment in Capital Assets	7,393,385	-	7,393,385
Unrestricted (Deficit)	(2,994,931)	1,455,958	(1,538,973)
Total Net Position	4,398,454	1,455,958	5,854,412

VILLAGE OF MORTON GROVE, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds For the Fiscal Year Ended December 31, 2020

	Business-Type Activities - Enterprise		
	Water and Sewer	Nonmajor	Totals
Operating Revenues			
Charges for Services	\$ 8,000,549	2,099,251	10,099,800
Operating Expenses			
Operations	6,686,029	1,850,770	8,536,799
Depreciation and Amortization	489,829	-	489,829
Total Operating Expenses	7,175,858	1,850,770	9,026,628
Operating Income	824,691	248,481	1,073,172
Nonoperating Revenues (Expenses)			
Connection Fees	25,682	-	25,682
Interest Income	9,257	288	9,545
Other Income	190,922	-	190,922
Interest Expense	(101,051)	-	(101,051)
	124,810	288	125,098
Change in Net Position	949,501	248,769	1,198,270
Net Position - Beginning	3,448,953	1,207,189	4,656,142
Net Position - Ending	4,398,454	1,455,958	5,854,412

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, 2020

	Business-Type Activities - Enterprise		
	Water and Sewer	Nonmajor	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 8,128,645	2,079,237	10,207,882
Payments to Employees	(1,596,410)	-	(1,596,410)
Payments to Suppliers	(6,240,848)	(1,861,451)	(8,102,299)
	291,387	217,786	509,173
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(618,038)	-	(618,038)
Interest Expense	(101,051)	-	(101,051)
Retirement of Debt	(169,400)	-	(169,400)
	(888,489)	-	(888,489)
Cash Flows from Noncapital Financing Activities			
Interfund Loans	587,845	18,822	606,667
Cash Flows from Investing Activities			
Interest Income	9,257	288	9,545
Net Change in Cash and Cash Equivalents	-	236,896	236,896
Cash and Cash Equivalents - Beginning	-	1,202,157	1,202,157
Cash and Cash Equivalents - Ending	-	1,439,053	1,439,053
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	824,691	248,481	1,073,172
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	489,829	-	489,829
Other Income	216,604	-	216,604
Other Expenses - Pension Related	(396,626)	-	(396,626)
(Increase) Decrease in Current Assets	(88,508)	(20,014)	(108,522)
Increase (Decrease) in Current Liabilities	(754,603)	(10,681)	(765,284)
Net Cash Provided by Operating Activities	291,387	217,786	509,173

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, 2020

	Pension Trust
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 1,228,809
Investments	
U.S. Government Obligations	8,073,662
U.S. Agency Obligations	12,515,810
Municipal Bonds	3,262,083
Corporate Bonds	11,829,546
Annuity Contracts	11,530,373
Money Market Mutual Funds	2,031,551
Equities	42,794,691
Common Stock	6,795,289
Receivables - Net	
Accounts	6,878
Accrued Interest	191,305
Prepays	<u>8,289</u>
Total Assets	100,268,286
LIABILITIES	
Accounts Payable	<u>51,209</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>100,217,077</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, 2020

	Pension Trust
Additions	
Contributions - Employer	\$ 6,863,452
Contributions - Plan Members	<u>1,167,341</u>
Total Contributions	<u>8,030,793</u>
Investment Income	
Interest Earned	2,086,216
Net Change in Fair Value	<u>9,773,065</u>
	11,859,281
Less Investment Expenses	<u>(197,324)</u>
	<u>11,661,957</u>
Total Additions	<u>19,692,750</u>
Deductions	
Administration	79,363
Benefits and Refunds	<u>9,558,846</u>
Total Deductions	<u>9,638,209</u>
Change in Fiduciary Net Position	10,054,541
Net Position Restricted for Pensions	
Beginning	<u>90,162,536</u>
Ending	<u><u>100,217,077</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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

Municipal Employees' Retirement Fund (MERF)

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

Police Pension Employees Retirement System

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

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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) changes 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.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

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

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 equity, 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.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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.

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 ten 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 Waukegan Road 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 along Waukegan Road. 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.

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.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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.

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.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

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

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.

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 equity is classified as net position.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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 agency 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, 2020

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.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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.

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	10 - 50 Years
Vehicles and Equipment	3 - 15 Years
Infrastructure	10 - 50 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position 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.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Compensated Absences – Continued

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.

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.”

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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. No budget was established for the Waukegan Road Tax Increment Financing Fund and the Dempster/Waukegan TIF Fund in the current year. 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, one supplementary appropriation was necessary.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund	Excess
911 Emergency Telephone System	\$ 6,003
Municipal Employees' Retirement	464,837
Police Pension	297,032

DEFICIT FUND BALANCES/NET POSITION

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

Fund	Deficit
Debt Service	\$ 232,899
Commuter Parking Facility	22,360
Economic Development	827,970
Morton Grove Days	19,090

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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 deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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 Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits and Investments. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$13,974,564 and the bank balances totaled \$13,941,194. Additionally, at year-end the Village has \$4,544,671 invested in the Illinois Funds, \$289,331 invested in IMET, and \$3,727,475 invested in money market mutual funds. The Illinois Funds and IMET are measured at net asset value per share as determined by the pool.

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.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government or in pools. The Illinois Funds and IMET are rated AAAM by Standard and Poor's.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

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, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

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

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

Municipal Employees Retirement Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

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 \$11,530,373 represents 100% of the overall investment portfolio and are valued using significant other observable inputs to calculate the fair value measurement (Level 2 inputs).

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Municipal Employees Retirement Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

The Fund's investment policy establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Annuity Contracts	100.00%	3.86%

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, 2020 are listed in the table above.

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.21%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$274,071 and the bank balances totaled \$274,071.

Investments. The fair value and maturities of the Fund's investments at year-end are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	Greater Than 10
U.S. Government Obligations	\$ 6,306,787	1,479,045	2,065,760	2,761,982	-
U.S. Agency Obligations	983,647	56,313	392,434	372,556	162,344
Municipal Bonds	1,100,465	111,499	532,710	302,429	153,827
Corporate Bonds	8,870,096	233,627	3,922,945	3,718,896	994,628
	17,260,995	1,880,484	6,913,849	7,155,863	1,310,799

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

The Fund has the following recurring fair value measurements as of December 31, 2020:

Investments by Fair Value Level	Totals	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Government Obligations	\$ 6,306,787	6,306,787	-	-
U.S. Agency Obligations	983,647	983,647	-	-
Municipal Bonds	1,100,465	-	1,100,465	-
Corporate Bonds	8,870,096	-	8,870,096	-
Equity Securities				
Equities	17,276,196	17,276,196	-	-
Common Stock	6,795,289	6,795,289	-	-
Total Investments by Fair Value Level	41,332,480	31,361,919	9,970,561	-

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

Credit Risk. The Fund's investment policy limits its exposure to credit risk 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 municipal or corporate bonds. The investments in U.S. Agency obligations, municipal bonds and corporate bonds were rated AAA to Baa2 by Standard & Poor's and Moody's Investor Services.

Custodial Credit Risk. In regards to deposits, the Fund's investment policy requires all bank balances to be covered by federal depository insurance. At December 31, 2020, \$24,071 of the Fund's deposits was not covered by federal depository or equivalent insurance.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Custodial Credit Risk – Continued. The Fund's investment policy does not address custodial credit risk for investments.

Concentration Credit Risk. The Fund's investment policy does not address concentration credit risk. In addition to the securities and fair values listed above, the Fund also has \$17,276,196 invested in equities and \$6,795,289 invested in common stock. At year-end, the Fund does not have any investments over 5 percent of net plan pension 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).

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	48.00%	1.10%
Large Cap Domestic Equity	27.00%	5.10%
Mid Cap Domestic Equity	15.00%	5.60%
International Equity	10.00%	5.60%
Cash and Cash Equivalents	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The 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 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, 2020 are listed in the table above.

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.47%. 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, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$954,738 and the bank balances totaled \$954,738.

Investments. The fair value and maturities of the Fund's investments at year-end are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	Greater Than 10
U.S. Government Obligations	\$ 1,766,875	253,867	314,406	1,198,602	-
U.S. Agency Obligations	11,532,163	61,338	3,239,840	8,068,005	162,980
Municipal Bonds	2,161,618	303,906	733,972	1,043,844	79,896
Corporate Bonds	2,959,450	150,713	1,136,696	1,672,041	-
	18,420,106	769,824	5,424,914	11,982,492	242,876

The Fund has the following recurring fair value measurements as of December 31, 2020:

Investments by Fair Value Level	Totals	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Government Obligations	\$ 1,766,875	1,766,875	-	-
U.S. Agency Obligations	11,532,163	-	11,532,163	-
Municipal Bonds	2,161,618	-	2,161,618	-
Corporate Bonds	2,959,450	-	2,959,450	-
Equity Securities				
Equities	25,518,495	25,518,495	-	-
Total Investments by Fair Value Level	43,938,601	27,285,370	16,653,231	-

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments – Continued. Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

Credit Risk. The Fund's investment policy limits its exposure to credit risk 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 municipal or corporate bonds. The investments in the U.S. Agency obligations, municipal bonds and corporate bonds were rated AAA to A3 by Standard & Poor's and Moody's Investor Services.

Custodial Credit Risk. In regards to deposits, the Fund's investment policy requires all bank balances to be covered by federal depository insurance. At December 31, 2020, all of the Fund's deposits were covered by federal depository or equivalent insurance.

The Fund's investment policy does not address custodial credit risk for investments.

Concentration Credit Risk. The Fund's investment policy does not address concentration credit risk. In addition to the securities and fair values listed above, the Fund also has \$25,518,495 invested in equities. At year-end, the Fund 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, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Concentration Credit Risk – Continued. The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	45.00%	1.30%
Large Cap Domestic Equity	38.50%	5.80%
Small Cap Domestic Equity	11.00%	7.60%
International Equity	5.50%	7.10%
Cash and Cash Equivalents	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The 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 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, 2020 are listed in the table above.

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.74%. 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, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 43,972,244	-	-	43,972,244
Construction in Progress	110,592	37,077	-	147,669
	<u>44,082,836</u>	<u>37,077</u>	<u>-</u>	<u>44,119,913</u>
Depreciable Capital Assets				
Buildings and Improvements	19,752,194	184,699	38,400	19,898,493
Vehicles and Equipment	7,806,164	500,707	237,589	8,069,282
Infrastructure	32,802,116	-	-	32,802,116
	<u>60,360,474</u>	<u>685,406</u>	<u>275,989</u>	<u>60,769,891</u>
Less Accumulated Depreciation				
Buildings and Improvements	15,523,466	538,992	38,400	16,024,058
Vehicles and Equipment	6,099,765	451,121	237,589	6,313,297
Infrastructure	27,416,617	515,978	-	27,932,595
	<u>49,039,848</u>	<u>1,506,091</u>	<u>275,989</u>	<u>50,269,950</u>
Total Net Depreciable Capital Assets	<u>11,320,626</u>	<u>(820,685)</u>	<u>-</u>	<u>10,499,941</u>
Total Net Capital Assets	<u>55,403,462</u>	<u>(783,608)</u>	<u>-</u>	<u>54,619,854</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 281,227
Public Safety	273,263
Streets and Sidewalks	<u>951,601</u>
	<u>1,506,091</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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
Nondepreciable Capital Assets				
Construction in Progress	\$ 12,889	-	-	12,889
Depreciable Capital Assets				
Buildings and Improvements	16,874,103	439,424	-	17,313,527
Equipment	3,900,838	178,614	65,525	4,013,927
	20,774,941	618,038	65,525	21,327,454
Less Accumulated Depreciation				
Buildings and Improvements	9,098,470	297,382	-	9,395,852
Equipment	1,922,590	219,527	65,525	2,076,592
	11,021,060	516,909	65,525	11,472,444
Total Net Depreciable Capital Assets	9,753,881	101,129	-	9,855,010
Total Net Capital Assets	9,766,770	101,129	-	9,867,899

Depreciation expense was charged to business-type as follows:

Water and Sewer	<u>\$ 516,909</u>
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PROPERTY TAXES

Property taxes for 2019 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically.

LOAN RECEIVABLE – DEVELOPER

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

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LOAN RECEIVABLE – DEVELOPER – Continued

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.

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

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

Receivable Fund	Payable Fund	Amount
General	Sawmill Station Tax Increment Financing	\$ 1,927,384
General	Debt Service	270,399
General	Nonmajor Governmental	1,057,645
General	Water and Sewer	587,845
General	Nonmajor Business-Type	18,822
Lehigh/Ferris Tax Increment Financing	Sawmill Station Tax Increment Financing	44,364
Nonmajor Governmental	General	7,370
		<u>3,913,829</u>

Interfund Advances

Significant advances were advanced from the General Fund as initial costs of the Waukegan TIF. This amount will be repaid from future incremental property tax revenues. Interfund advances as of the date of this report are as follows:

Receivable Fund	Payable Fund	Amount
General	Sawmill Station Tax Increment Financing	<u>\$ 1,148,930</u>

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Waukegan Road Tax Increment Financing	Sawmill Station Tax Increment Financing	1,566,912 (3)
Debt Service	General	436,875 (1)
Capital Projects	General	300,000 (2)
Nonmajor	Sawmill Station Tax Increment Financing	248,102 (3)
		<u>\$ 2,551,889</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend, (2) transfer excess unassigned fund balance from the General Fund to the Capital Projects Fund for future capital projects, and (3) closing funds into the Sawmill Station Tax Increment Financing Fund at the end of the fiscal year.

LONG-TERM DEBT

General Obligation Bonds

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$1,415,000 General Obligation Bonds of 2014, due in annual installments of \$470,000 to \$475,000, plus interest at 2.395% through December 15, 2021.	Debt Service	\$ 945,000	-	470,000	475,000
\$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	2,235,000 3,905,000	- -	620,000 740,000	1,615,000 3,165,000
\$5,455,000 General Obligation Refunding Bonds of 2019, due in annual installments of \$385,000 to \$730,000, plus interest at 2.00% to 5.00% through December 15, 2029.	Debt Service Water and Sewer	3,054,800 2,400,200	- -	215,600 169,400	2,839,200 2,230,800
		12,540,000	-	2,215,000	10,325,000

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Tax Increment Financing Revenue Bonds

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

Installment Notes Payable

The Village also issues installment notes payable to provide funds for the purchase of capital assets. Installment notes payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$1,060,000 General Obligation Promissory Note Payable of 2013, due in annual installments of \$163,783, including interest at 2.00% through May 31, 2020.	Debt Service	\$ 160,571	-	160,571	-

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, 2020, the Village made total intergovernmental payments of \$206,276 from general (non-TIF) revenues. The tax revenue is determined on an annual basis and the estimated future liability is shown below.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Intergovernmental Agreement – School District 70 – Continued

Fiscal Year	Governmental Activities
	School District 70
2021	\$ 218,842
2022	233,383
2023	<u>246,879</u>
Totals	<u><u>699,104</u></u>

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 1,127,399	103,470	51,735	1,179,134	235,827
Net Pension Liability					
IMRF	621,678	-	345,006	276,672	-
MERF	9,879,968	-	972,972	8,906,996	-
Police Pension	43,451,287	-	8,629,855	34,821,432	-
Firefighters' Pension	33,200,935	-	2,814,064	30,386,871	-
Total OPEB Liability - RBP	19,702,473	-	4,858,802	14,843,671	-
General Obligation Bonds	10,139,800	-	2,045,600	8,094,200	2,158,600
Unamortized Bond Premium	1,080,777	-	218,497	862,280	-
Tax Increment Financing Revenue Bonds	18,635,000	-	-	18,635,000	-
Unamortized Bond Premium	182,804	-	9,140	173,664	-
Installment Note Payable	160,571	-	160,571	-	-
Intergovernmental Agreement Payable	905,380	-	206,276	699,104	218,842
	<u>139,088,072</u>	<u>103,470</u>	<u>20,312,518</u>	<u>118,879,024</u>	<u>2,613,269</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Business-Type Activities					
Compensated Absences	\$ 119,788	7,502	3,751	123,539	24,708
Net Pension Liability					
IMRF	115,772	-	53,500	62,272	-
MERF	4,160,060	-	409,680	3,750,380	-
Total OPEB Liability - RBP	2,200,852	-	618,981	1,581,871	-
General Obligation Bonds	2,400,200	-	169,400	2,230,800	191,400
Unamortized Bond Premium	270,794	-	27,080	243,714	-
	<u>9,267,466</u>	<u>7,502</u>	<u>1,282,392</u>	<u>7,992,576</u>	<u>216,108</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 installment note payable is being liquidated by the Debt Service Fund. The intergovernmental agreement payable is being paid by the Economic Development Fund.

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

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. "The General Assembly may limit by law the amount and require referendum approval of debt to the 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.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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
2021	\$ 2,158,600	360,955	-	895,150	191,400	92,934
2022	2,103,200	265,399	-	895,150	206,800	83,364
2023	1,007,200	160,239	495,000	884,631	217,800	73,024
2024	1,061,200	109,879	610,000	861,150	228,800	62,134
2025	305,200	64,519	640,000	834,588	239,800	50,694
2026	319,200	49,259	675,000	806,644	250,800	38,703
2027	333,200	33,299	780,000	775,725	261,800	26,163
2028	397,600	16,639	820,000	741,725	312,400	13,073
2029	408,800	8,687	860,000	706,025	321,200	6,825
2030	-	-	980,000	663,250	-	-
2031	-	-	1,035,000	612,875	-	-
2032	-	-	1,095,000	559,625	-	-
2033	-	-	1,235,000	501,375	-	-
2034	-	-	1,300,000	438,000	-	-
2035	-	-	1,375,000	371,125	-	-
2036	-	-	1,530,000	298,500	-	-
2037	-	-	1,615,000	219,875	-	-
2038	-	-	1,705,000	136,875	-	-
2039	-	-	1,885,000	47,125	-	-
Totals	8,094,200	1,068,875	18,635,000	11,249,413	2,230,800	446,914

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Noncommitment Debt

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, 2020:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 54,619,854
Plus: Unamortized Loss on Refunding	68,254
Less Capital Related Debt:	
General Obligation Bond of 2014	(475,000)
General Obligation Bond of 2015	(4,780,000)
General Obligation Refunding Bond of 2019	(2,839,200)
Unamortized Bond Premium	<u>(862,280)</u>
Net Investment in Capital Assets	<u>45,731,628</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	9,867,899
Less Capital Related Debt:	
General Obligation Refunding Bond of 2019	(2,230,800)
Unamortized Bond Premium	<u>(243,714)</u>
Net Investment in Capital Assets	<u>7,393,385</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

		Special Revenue						
		Lehigh/ Ferris Tax Increment Financing	Waukegan Road Tax Increment Financing	Sawmill Station Tax Increment Financing				
	General				Debt Service	Capital Projects	Nonmajor	Totals
Fund Balances								
Nonspendable								
Advances to Other Funds	\$ 1,148,930	-	-	-	-	-	-	1,148,930
Prepays	192	-	-	-	-	-	-	192
	<u>1,149,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,149,122</u>
Restricted								
IMRF	88,103	-	-	-	-	-	-	88,103
Public Safety	-	-	-	-	-	-	1,805,103	1,805,103
Streets and Sidewalks	-	-	-	-	-	-	1,606,434	1,606,434
Community Development	-	15,700,245	-	2,636,834	-	-	-	18,337,079
Capital Improvements	-	-	-	-	-	1,589,628	-	1,589,628
	<u>88,103</u>	<u>15,700,245</u>	<u>-</u>	<u>2,636,834</u>	<u>-</u>	<u>1,589,628</u>	<u>3,411,537</u>	<u>23,426,347</u>
Unassigned	10,357,207	-	-	-	(232,899)	-	(850,330)	9,273,978
Total Fund Balances	<u>11,594,432</u>	<u>15,700,245</u>	<u>-</u>	<u>2,636,834</u>	<u>(232,899)</u>	<u>1,589,628</u>	<u>2,561,207</u>	<u>33,849,447</u>

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

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

Intergovernmental Risk Management Agency

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

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Intergovernmental Risk Management Agency – Continued

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

The Village has a contractual obligation to fund any deficit of IRMA attributable to a membership year during which the Village was a member. Supplemental contributions may be required to fund these deficits. No supplemental contributions were due at December 31, 2020. The Village has recorded a prepaid for the excess surplus balance of \$1,387,442 in the General Fund as of December 31, 2020.

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, 2020 (most recent available) of \$1,147,574. This amount was declared as a dividend to the Village and, therefore, has been recorded as a prepaid in the General Fund.

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

CONTINGENT LIABILITIES

Litigation

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

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

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.

Financial Impact of COVID-19

In March of 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

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.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

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 \$467,613 for year ended December 31, 2020.

JOINT VENTURES

Solid Waste Agency of Northern Cook County (SWANCC)

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

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

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

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

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Solid Waste Agency of Northern Cook County (SWANCC) – Continued

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 \$394,627 to SWANCC in 2020, which includes payment for debt contribution. The Village does not have an equity interest in SWANCC at December 31, 2020.

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 \$32,303 a month or \$394,627 a year.

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 \$2,873,969 in 2020. At December 31, 2020 the outstanding receivable of \$2,519,327 is due from the Commission.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

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 amount of pension expense recognized for the pension plans is:

	Pension Expenses/ (Revenues)	Net Pension Liabilities/ (Assets)	Deferred Outflows	Deferred Inflows
IMRF				
Village	\$ 138,314	338,944	289,126	614,977
Library	54,003	112,830	96,246	204,717
SLEP	(4,475)	(16,568)	-	12,238
MERF	228,986	12,657,376	492,482	-
Police Pension	2,602,411	34,821,432	6,020,015	10,856,483
Firefighters' Pension	2,097,418	30,386,871	790,872	8,382,069
	<u>5,116,657</u>	<u>78,300,885</u>	<u>7,688,741</u>	<u>20,070,484</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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, 2020

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, 2020, the measurement date, the following employees were covered by the benefit terms:

	Regular Plan	SLEP Plan
Inactive Plan Members Currently Receiving Benefits	18	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	59	-
Active Plan Members	77	-
Totals	154	2

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

Contributions. As set by statute, the Village's Regular Plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2020, the Village's contribution was 10.08% 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, 2020, the Village's contribution was 0.00% of covered payroll.

Net Pension Liability/(Asset). The Village's net pension liability/(asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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/(asset) was determined by an actuarial valuation performed, as of December 31, 2020, 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 Plan	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

Discount Rate

The discount rate used to measure the total pension liability for the Regular Plan was 7.25%, the same as the prior year. 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 net 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:

Regular Plan	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)			
Village	\$ 1,534,424	338,944	(562,324)
Library	510,788	112,830	(187,189)
Totals	2,045,212	451,774	(749,513)

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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	\$ 376,572	125,355	501,927
Interest on the Total Pension Liability	528,544	175,945	704,489
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	163,273	59,562	222,835
Changes of Assumptions	(114,400)	(38,082)	(152,482)
Benefit Payments, including Refunds of Employee Contributions	(92,692)	(30,856)	(123,548)
Net Change in Total Pension Liability	861,297	291,924	1,153,221
Total Pension Liability - Beginning	7,069,075	2,458,831	9,527,906
Total Pension Liability - Ending	7,930,372	2,750,755	10,681,127
Plan Fiduciary Net Position			
Contributions - Employer	331,535	110,363	441,898
Contributions - Employees	176,558	58,774	235,332
Net Investment Income	834,763	277,881	1,112,644
Benefit Payments, including Refunds of Employee Contributions	(92,692)	(30,856)	(123,548)
Other (Net Transfer)	9,639	3,209	12,848
Net Change in Plan Fiduciary Net Position	1,259,803	419,371	1,679,174
Plan Net Position - Beginning	6,331,625	2,218,554	8,550,179
Plan Net Position - Ending	7,591,428	2,637,925	10,229,353
Employer's Net Pension Liability	338,944	112,830	451,774

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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/(Asset) – SLEP Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2019	\$ 105,053	111,141	(6,088)
Changes for the Year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	7,296	-	7,296
Difference Between Expected and Actual Experience of the Total Pension Liability	1,235	-	1,235
Changes of Assumptions	648	-	648
Changes in Benefit Terms			
Contributions - Employer	-	170	(170)
Contributions - Employees	-	-	-
Net Investment Income	-	17,609	(17,609)
Benefit Payments, including Refunds of Employee Contributions	(8,839)	(8,839)	-
Other (Net Transfer)	-	1,880	(1,880)
Net Changes	340	10,820	(10,480)
Balances at December 31, 2020	105,393	121,961	(16,568)

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

For the year ended December 31, 2020, the Village recognized pension expense of \$144,021 for the Regular Plan and pension revenue of \$4,475 for the SLEP Plan. The Library recognized \$54,003 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:

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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

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	\$ 173,190	(54,010)	57,652	(17,980)	158,852
Change in Assumptions	115,936	(148,028)	38,594	(49,276)	(42,774)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(412,939)	-	(137,461)	(550,400)
Total Deferred Amounts Related to IMRF	289,126	(614,977)	96,246	(204,717)	(434,322)
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		-	(12,238)	(12,238)	
Total Deferred Amounts Related to SLEP		-	(12,238)	(12,238)	

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	Regular Plan			SLEP Plan
	Village	Library	Totals	
	Net Deferred Outflows/ (Inflows) of Resources	Net Deferred Outflows/ (Inflows) of Resources	Net Deferred Outflows/ (Inflows) of Resources	Net Deferred Inflows of Resources
2021	\$ (108,290)	(36,048)	(144,338)	(4,041)
2022	(31,579)	(10,512)	(42,091)	(1,397)
2023	(120,858)	(40,232)	(161,090)	(4,839)
2024	(67,010)	(22,306)	(89,316)	(1,961)
2025	1,886	627	2,513	-
Thereafter	-	-	-	-
Totals	(325,851)	(108,471)	(434,322)	(12,238)

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

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.

Plan Membership. As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	33
Inactive Plan Members Entitled to but not yet Receiving Benefits	14
Active Plan Members	<u>18</u>
Total	<u><u>65</u></u>

Contributions. As set by statute, the Village's participating members are required to contribute 2.00% of their annual salary to MERF. The Village is required to contribute the remaining amounts necessary to fund MERF as specified by the plan. The employer contribution for the year ended December 31, 2020 was 66.08% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2020. 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, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Municipal Employees' Retirement Fund (MERF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, 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.

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.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Municipal Employees' Retirement Fund (MERF) – 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 (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Net Pension Liability	\$ 15,613,107	12,657,376	10,185,758

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 25,106,852	11,066,824	14,040,028
Changes for the Year:			
Service Cost	413,276	-	413,276
Interest on the Total Pension Liability	1,049,975	-	1,049,975
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,417,988)	-	(1,417,988)
Changes of Assumptions	-	-	-
Changes in Benefit Terms			
Contributions - Employer	-	1,140,546	(1,140,546)
Contributions - Employees	-	40,600	(40,600)
Net Investment Income	-	246,769	(246,769)
Benefit Payments, including Refunds of Employee Contributions	(984,372)	(984,372)	-
Other (Net Transfer)	-	-	-
Net Changes	(939,109)	443,543	(1,382,652)
Balances at December 31, 2020	24,167,743	11,510,367	12,657,376

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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, 2020, the Village recognized pension expense of \$228,985. At December 31, 2020, 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	492,482	-	492,482
Total Deferred Amounts Related to MERF	492,482	-	492,482

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
2021	\$ 193,284
2022	148,302
2023	99,763
2024	51,133
2025	-
Thereafter	-
Total	492,482

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – 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, 2020, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	55
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>47</u>
Total	<u><u>106</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, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2020, the Village's contribution was 57.81% of covered payroll.

Concentrations. At year-end, the Police 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, 2020

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, 2020, using the following actuarial methods and assumptions:

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

Mortality rates were based on the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates.

Discount Rate

The discount rate used to measure the total pension liability for the Police Pension Plan was 7.00%, the year used a discount rate of 6.36%. 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, 2020

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	\$ 45,781,079	34,821,432	25,907,000

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 81,932,039	38,480,752	43,451,287
Changes for the Year:			
Service Cost	1,122,225	-	1,122,225
Interest on the Total Pension Liability	4,679,886	-	4,679,886
Difference Between Expected and Actual Experience of the Total Pension Liability	2,143,581	-	2,143,581
Changes of Assumptions	(7,716,150)	-	(7,716,150)
Changes in Benefit Terms	-	-	-
Contributions - Employer	-	2,866,069	(2,866,069)
Contributions - Employees	-	546,002	(546,002)
Net Investment Income	-	5,486,429	(5,486,429)
Benefit Payments, including Refunds of Employee Contributions	(4,286,231)	(4,286,231)	-
Administrative Expenses	-	(39,103)	39,103
Net Changes	(4,056,689)	4,573,166	(8,629,855)
Balances at December 31, 2020	77,875,350	43,053,918	34,821,432

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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, 2020, the Village recognized pension expense of \$2,602,411. At December 31, 2020, 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	\$ 3,473,013	-	3,473,013
Change in Assumptions	2,547,002	(7,809,788)	(5,262,786)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(3,046,695)	(3,046,695)
Total Deferred Amounts Related to Police Pension	6,020,015	(10,856,483)	(4,836,468)

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
2021	\$ (333,123)
2022	(992,526)
2023	(1,959,747)
2024	(1,079,867)
2025	(501,971)
Thereafter	30,766
Total	(4,836,468)

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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, 2020, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	52
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>38</u>
Total	<u><u>92</u></u>

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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, 2020, the Village's contribution was 69.03% 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, 2020

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, 2020, using the following actuarial methods and assumptions:

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

Mortality rates were based on the PubS-2010(A) Study improved to 2017 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, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' 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	\$ 40,874,953	30,386,871	21,815,572

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 73,173,670	39,972,735	33,200,935
Changes for the Year:			
Service Cost	1,150,422	-	1,150,422
Interest on the Total Pension Liability	4,967,267	-	4,967,267
Difference Between Expected and Actual Experience of the Total Pension Liability	225,642	-	225,642
Changes of Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Contributions - Employer	-	2,856,837	(2,856,837)
Contributions - Employees	-	412,917	(412,917)
Net Investment Income	-	5,927,901	(5,927,901)
Benefit Payments, including Refunds of Employee Contributions	(3,504,222)	(3,504,222)	-
Administrative Expenses	-	(40,260)	40,260
Net Changes	2,839,109	5,653,173	(2,814,064)
Balances at December 31, 2020	76,012,779	45,625,908	30,386,871

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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, 2020, the Village recognized pension expense of \$2,097,418. At December 31, 2020, 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	\$ 646,629	(296,251)	350,378
Change in Assumptions	144,243	(4,484,765)	(4,340,522)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(3,601,053)	(3,601,053)
Total Deferred Amounts Related to Firefighters' Pension	790,872	(8,382,069)	(7,591,197)

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 (Inflows) of Resources
2021	\$ (2,344,775)
2022	(1,973,304)
2023	(2,300,422)
2024	(972,696)
2025	-
Thereafter	-
Total	(7,591,197)

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	69
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>136</u>
Total	<u><u>205</u></u>

Total OPEB Liability

The Village's total OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2020 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, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs – Continued.

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	2.12%
Healthcare Cost Trend Rates	5.00% for HMO and 5.00% for PPO in 2020, and an ultimate rate of 5.00% for 2023 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 G.O. Index.

Mortality rates were based on the RP-2014 study, with Blue Collar adjustment. These rates are improved generationally using MP-2016 improvement, weighted per IMRF experience study dated November 8, 2017.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2019	<u>\$ 21,903,325</u>
Changes for the Year:	
Service Cost	521,557
Interest on the Total Pension Liability	586,296
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(5,421,913)
Changes of Assumptions or Other Inputs	(152,402)
Benefit Payments	<u>(1,011,321)</u>
Net Changes	<u>(5,477,783)</u>
Balance at December 31, 2020	<u><u>16,425,542</u></u>

VILLAGE OF MORTON GROVE, ILLINOIS

Notes to the Financial Statements December 31, 2020

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 2.12%, while the prior valuation used 2.74%. 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 (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB Liability	\$ 18,479,869	16,425,542	14,747,702

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% Increase (Varies)	Healthcare Cost Trend Rates (Varies)	1% Decrease (Varies)
Total OPEB Liability	\$ 14,433,541	16,425,542	18,904,456

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

For the year ended December 31, 2020, the Village recognized OPEB expense of \$684,460. At December 31, 2020, 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, 2020

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	\$ -	(4,716,852)	(4,716,852)
Change in Assumptions	2,587,719	(877,922)	1,709,797
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	2,587,719	(5,594,774)	(3,007,055)

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 Outflows of Resources
2021	\$ (423,393)
2022	(423,393)
2023	(423,393)
2024	(423,393)
2025	(353,257)
Thereafter	(960,226)
Total	(3,007,055)

SUBSEQUENT EVENT

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$3,098,984 to be received in two installments. On September 8, 2021 the Village received their first installment of \$1,549,492.

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 of 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 Benefits Plan
- Budgetary Comparison Schedule
 - General Fund
 - Lehigh/Ferris Tax Increment Financing – Special Revenue Fund
 - Waukegan Road Tax Increment Financing – Special Revenue Fund
 - Sawmill Station 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

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2020

Calendar Year		Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	Total	\$ 289,298	\$ 289,298	\$ -	\$ 3,950,495	7.32%
12/31/2016	Total	379,476	379,476	-	3,994,494	9.50%
12/31/2017	Total	399,637	402,175	2,538	4,381,980	9.18%
12/31/2018	Total	436,714	436,714	-	4,767,619	9.16%
12/31/2019	Total	380,669	380,669	-	4,960,169	7.67%
12/31/2020	Village	331,535	331,535	-	3,287,589	10.08%
	Library	110,363	110,363	-	1,094,391	10.08%
	Total	441,898	441,898	-	4,381,980	10.08%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

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

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2020

Calendar 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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

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

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2020

Calendar 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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	Fair Market Value
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	4.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	December 31, 2017 IMRF Actuarial Valuation

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

Required Supplementary Information Schedule of Employer Contributions December 31, 2020

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	4.00% - 13.18%
Investment Rate of Return	7.00%
Mortality	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

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

VILLAGE OF MORTON GROVE, ILLINOIS**Firefighters' Pension Fund**
Required Supplementary Information
Schedule of Employer Contributions
December 31, 2020

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	4.00% - 13.00%
Investment Rate of Return	7.00%
Mortality	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

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

VILLAGE OF MORTON GROVE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2020

	Totals	
	12/31/2015	12/31/2016
Total Pension Liability		
Service Cost	\$ 429,566	434,382
Interest	409,549	455,091
Differences Between Expected and Actual Experience	(186,773)	8,925
Change of Assumptions	-	(10,936)
Benefit Payments, Including Refunds of Member Contributions	(39,656)	(53,756)
Net Change in Total Pension Liability	612,686	833,706
Total Pension Liability - Beginning	5,272,987	5,885,673
Total Pension Liability - Ending	\$ 5,885,673	6,719,379
Plan Fiduciary Net Position		
Contributions - Employer	\$ 389,954	379,476
Contributions - Members	177,773	179,752
Net Investment Income	22,516	316,372
Benefit Payments, Including Refunds of Member Contributions	(39,656)	(53,756)
Other (Net Transfer)	(242,491)	(54,719)
Net Change in Plan Fiduciary Net Position	308,096	767,125
Plan Net Position - Beginning	4,239,209	4,547,305
Plan Net Position - Ending	\$ 4,547,305	5,314,430
Employer's Net Pension Liability	\$ 1,338,368	1,404,949
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.26%	79.09%
Covered Payroll	\$ 3,950,495	3,994,494
Employer's Net Pension Liability as a Percentage of Covered Payroll	33.88%	35.17%

Note:

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

12/31/2017	12/31/2018	12/31/2019	Village	Library 12/31/2020	Totals
457,409	455,106	499,164	376,572	125,355	501,927
514,005	555,728	635,548	528,544	175,945	704,489
(39,758)	101,443	(76,652)	163,273	59,562	222,835
(230,696)	317,739	-	(114,400)	(38,082)	(152,482)
(189,365)	(97,670)	(93,474)	(92,692)	(30,856)	(123,548)
511,595	1,332,346	964,586	861,297	291,924	1,153,221
6,719,379	7,230,974	8,563,320	7,069,075	2,458,831	9,527,906
7,230,974	8,563,320	9,527,906	7,930,372	2,750,755	10,681,127
402,175	436,714	378,956	331,535	110,363	441,898
201,543	214,543	223,207	176,558	58,774	235,332
832,655	(214,824)	1,153,230	834,763	277,881	1,112,644
(189,365)	(97,670)	(93,474)	(92,692)	(30,856)	(123,548)
21,236	(7,504)	(25,673)	9,639	3,209	12,848
1,268,244	331,259	1,636,246	1,259,803	419,371	1,679,174
5,314,430	6,582,674	6,913,933	6,331,625	2,218,554	8,550,179
6,582,674	6,913,933	8,550,179	7,591,428	2,637,925	10,229,353
648,300	1,649,387	977,727	338,944	112,830	451,774
91.03%	80.74%	89.74%	95.73%	95.90%	95.77%
4,381,980	4,767,619	4,381,980	3,287,589	1,094,391	4,381,980
14.79%	34.60%	22.31%	10.31%	10.31%	10.31%

VILLAGE OF MORTON GROVE, ILLINOIS

Sheriff's Law Enforcement Personnel Plan

Required Supplementary Information

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

December 31, 2020

	12/31/2015
Total Pension Liability	
Service Cost	\$ -
Interest	7,550
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	830
Change of Assumptions	415
Benefit Payments, Including Refunds of Member Contributions	(7,982)
Net Change in Total Pension Liability	813
Total Pension Liability - Beginning	104,794
Total Pension Liability - Ending	105,607
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,005
Contributions - Members	-
Net Investment Income	495
Benefit Payments, Including Refunds of Member Contributions	(7,982)
Other (Net Transfer)	5,184
Net Change in Plan Fiduciary Net Position	(1,298)
Plan Net Position - Beginning	102,524
Plan Net Position - Ending	101,226
Employer's Net Pension Liability/(Asset)	\$ 4,381
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.90%
Covered Payroll	\$ -
Employer's Net Pension Liability as a Percentage of Covered Payroll	0.00%

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
-	-	-	-	-
7,564	7,593	7,406	7,317	7,296
-	-	-	-	-
885	934	1,039	1,146	1,235
(509)	(2,603)	2,304	-	648
(8,154)	(8,319)	(8,491)	(8,666)	(8,839)
(214)	(2,395)	2,258	(203)	340
105,607	105,393	102,998	105,256	105,053
105,393	102,998	105,256	105,053	105,393
883	309	218	-	170
-	-	-	-	-
6,953	20,468	(9,000)	21,207	17,609
(8,154)	(8,319)	(8,491)	(8,666)	(8,839)
768	(2,199)	3,305	633	1,880
450	10,259	(13,968)	13,174	10,820
101,226	101,676	111,935	97,967	111,141
101,676	111,935	97,967	111,141	121,961
3,717	(8,937)	7,289	(6,088)	(16,568)
96.47%	108.68%	93.07%	105.80%	115.72%
-	-	-	-	-
0.00%	0.00%	0.00%	0.00%	0.00%

VILLAGE OF MORTON GROVE, ILLINOIS

Municipal Employees' Retirement Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2020

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 283,482
Interest	868,067
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(745,910)
Change of Assumptions	7,685,672
Benefit Payments, Including Refunds of Member Contributions	<u>(1,213,649)</u>
Net Change in Total Pension Liability	6,877,662
Total Pension Liability - Beginning	<u>18,959,198</u>
Total Pension Liability - Ending	<u><u>25,836,860</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 921,727
Contributions - Members	44,270
Net Investment Income	215,478
Benefit Payments, Including Refunds of Member Contributions	(1,213,649)
Administrative Expense	<u>-</u>
Net Change in Plan Fiduciary Net Position	(32,174)
Plan Net Position - Beginning	<u>8,338,149</u>
Plan Net Position - Ending	<u><u>8,306,244</u></u>
Employer's Net Pension Liability	<u><u>\$ 17,530,616</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.15%
Covered Payroll	\$ 2,044,912
Employer's Net Pension Liability as a Percentage of Covered Payroll	857.28%

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
287,787	179,636	187,540	151,748	413,276
1,237,559	1,206,931	1,032,847	1,026,174	1,049,975
-	-	-	-	-
1,426,704	(627,124)	(667,891)	518,148	(1,417,988)
(499,817)	(3,827,913)	(281,528)	983,788	-
(534,905)	(647,877)	(1,128,079)	(753,736)	(984,372)
1,917,328	(3,716,347)	(857,111)	1,926,122	(939,109)
25,836,860	27,754,188	24,037,841	23,180,730	25,106,852
27,754,188	24,037,841	23,180,730	25,106,852	24,167,743
969,391	1,298,923	1,409,558	1,116,194	1,140,546
41,532	41,076	36,311	34,885	40,600
235,292	196,453	210,246	235,316	246,769
(534,905)	(647,877)	(1,128,079)	(753,736)	(984,372)
-	-	-	-	-
711,310	888,575	528,036	632,659	443,543
8,306,244	9,017,554	9,906,129	10,434,165	11,066,824
9,017,554	9,906,129	10,434,165	11,066,824	11,510,367
18,736,634	14,131,712	12,746,565	14,040,028	12,657,376
32.49%	41.21%	45.01%	44.08%	47.63%
2,237,893	2,299,435	1,744,800	1,756,617	1,726,023
837.24%	614.57%	730.55%	799.27%	733.33%

VILLAGE OF MORTON GROVE, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2020

	<u>12/31/2014</u>
Total Pension Liability	
Service Cost	\$ 999,888
Interest	4,067,424
Differences Between Expected and Actual Experience	1,780,289
Change of Assumptions	-
Changes of Benefit Terms	-
Benefit Payments, Including Refunds of Member Contributions	<u>(3,284,173)</u>
Net Change in Total Pension Liability	3,563,428
Total Pension Liability - Beginning	<u>55,964,162</u>
Total Pension Liability - Ending	<u><u>59,527,590</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,746,014
Contributions - Members	399,590
Net Investment Income	1,972,181
Benefit Payments, Including Refunds of Member Contributions	(3,284,173)
Administrative Expense	<u>(47,891)</u>
Net Change in Plan Fiduciary Net Position	785,721
Plan Net Position - Beginning	<u>31,379,333</u>
Plan Net Position - Ending	<u><u>32,165,054</u></u>
Employer's Net Pension Liability	<u><u>\$ 27,362,536</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.03%
Covered Payroll	\$ 4,017,422
Employer's Net Pension Liability as a Percentage of Covered Payroll	681.10%

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

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
1,204,804	1,307,855	1,386,849	1,253,363	1,275,666	1,122,225
3,656,752	4,075,261	4,383,166	4,559,077	4,704,702	4,679,886
4,148,200	87,939	60,088	455,002	1,328,505	2,143,581
3,982,348	3,094,358	(3,467,390)	1,299,164	856,322	(7,716,150)
-	-	-	-	540,254	-
(3,335,184)	(3,426,586)	(3,508,718)	(3,660,559)	(3,856,789)	(4,286,231)
9,656,920	5,138,827	(1,146,005)	3,906,047	4,848,660	(4,056,689)
59,527,590	69,184,510	74,323,337	73,177,332	77,083,379	81,932,039
69,184,510	74,323,337	73,177,332	77,083,379	81,932,039	77,875,350
1,819,397	2,090,649	2,309,955	2,695,291	2,796,467	2,866,069
412,809	429,569	446,618	465,264	562,561	546,002
(160,038)	2,247,993	3,925,557	(1,247,471)	5,536,105	5,486,429
(3,335,184)	(3,426,586)	(3,508,718)	(3,660,559)	(3,856,789)	(4,286,231)
(42,462)	(38,664)	(39,863)	(42,905)	(63,298)	(39,103)
(1,305,478)	1,302,961	3,133,549	(1,790,380)	4,975,046	4,573,166
32,165,054	30,859,576	32,162,537	35,296,086	33,505,706	38,480,752
30,859,576	32,162,537	35,296,086	33,505,706	38,480,752	43,053,918
38,324,934	42,160,800	37,881,246	43,577,673	43,451,287	34,821,432
44.60%	43.27%	48.23%	43.47%	46.97%	55.29%
4,131,663	4,363,550	4,516,274	4,574,078	4,806,496	4,957,898
927.59%	966.20%	838.77%	952.71%	904.01%	702.34%

VILLAGE OF MORTON GROVE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2020

	<u>12/31/2014</u>
Total Pension Liability	
Service Cost	\$ 1,067,954
Interest	3,811,312
Differences Between Expected and Actual Experience	(661,128)
Change of Assumptions	-
Changes of Benefit Terms	-
Benefit Payments, Including Refunds of Member Contributions	<u>(2,406,899)</u>
Net Change in Total Pension Liability	1,811,239
Total Pension Liability - Beginning	<u>52,834,148</u>
Total Pension Liability - Ending	<u><u>54,645,387</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,914,705
Contributions - Members	376,279
Net Investment Income	1,695,835
Benefit Payments, Including Refunds of Member Contributions	(2,441,253)
Administrative Expense	<u>(42,228)</u>
Net Change in Plan Fiduciary Net Position	1,503,338
Plan Net Position - Beginning	<u>28,456,082</u>
Plan Net Position - Ending	<u><u>29,959,420</u></u>
Employer's Net Pension Liability	<u><u>\$ 24,685,967</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.83%
Covered Payroll	\$ 3,707,686
Employer's Net Pension Liability as a Percentage of Covered Payroll	665.81%

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

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
1,356,812	1,330,866	1,408,988	1,269,097	1,181,800	1,150,422
3,181,468	3,963,235	4,297,744	4,498,745	4,722,128	4,967,267
928,412	1,812,111	45,639	594,173	(464,577)	225,642
11,295,766	1,479,863	(3,623,699)	(2,526,497)	(3,595,005)	-
-	-	-	-	249,141	-
(2,530,110)	(2,721,910)	(3,052,990)	(3,213,171)	(3,359,746)	(3,504,222)
14,232,348	5,864,165	(924,318)	622,347	(1,266,259)	2,839,109
54,645,387	68,877,735	74,741,900	73,817,582	74,439,929	73,173,670
68,877,735	74,741,900	73,817,582	74,439,929	73,173,670	76,012,779
1,949,493	2,165,900	2,291,587	2,660,276	2,770,449	2,856,837
387,408	384,004	381,401	398,444	407,251	412,917
363,152	2,091,840	4,195,751	(1,486,352)	6,182,115	5,927,901
(2,530,110)	(2,721,910)	(3,052,990)	(3,213,171)	(3,359,746)	(3,504,222)
(60,860)	(69,879)	(43,591)	(38,658)	(38,489)	(40,260)
109,083	1,849,955	3,772,158	(1,679,461)	5,961,580	5,653,173
29,959,420	30,068,503	31,918,458	35,690,616	34,011,155	39,972,735
30,068,503	31,918,458	35,690,616	34,011,155	39,972,735	45,625,908
38,809,232	42,823,442	38,126,966	40,428,774	33,200,935	30,386,871
43.65%	42.70%	48.35%	45.69%	54.63%	60.02%
4,101,744	4,000,016	4,140,017	4,165,612	4,256,869	4,138,829
946.16%	1070.58%	920.94%	970.54%	779.94%	734.19%

VILLAGE OF MORTON GROVE, ILLINOIS

Municipal Employees' Retirement Fund

Required Supplementary Information

Schedule of Investment Returns

December 31, 2020

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%

VILLAGE OF MORTON GROVE, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

December 31, 2020

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%

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

VILLAGE OF MORTON GROVE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Investment Returns

December 31, 2020

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%

VILLAGE OF MORTON GROVE, ILLINOIS

Retiree Benefits Plan

Required Supplementary Information

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2020

	12/31/2018	12/31/2019	12/31/2020
Total OPEB Liability			
Service Cost	\$ 464,133	416,857	521,557
Interest	645,426	726,622	586,296
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	(5,421,913)
Change of Assumptions or Other Inputs	(1,234,624)	3,516,883	(152,402)
Benefit Payments	(850,550)	(957,152)	(1,011,321)
Net Change in Total OPEB Liability	(975,615)	3,703,210	(5,477,783)
Total OPEB Liability - Beginning	19,175,730	18,200,115	21,903,325
Total OPEB Liability - Ending	18,200,115	21,903,325	16,425,542
Covered-Employee Payroll	\$ 14,073,710	16,538,783	17,034,946
Total OPEB Liability as a Percentage of Covered-Employee Payroll	129.32%	132.44%	96.42%

Notes:

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 of assumptions related to the discount rate were made in 2018, 2019, and 2020.

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 16,882,268	16,882,268	15,674,325
Intergovernmental	8,047,000	8,047,000	8,784,347
Charges for Services	1,358,350	1,358,350	1,164,736
Licenses and Permits	2,201,500	2,201,500	2,559,440
Fines and Forfeitures	816,500	816,500	484,020
Interest Income	110,000	110,000	109,125
Miscellaneous	1,602,500	1,602,500	926,757
Total Revenues	31,018,118	31,018,118	29,702,750
Expenditures			
General Government	4,171,853	4,171,853	3,710,182
Public Safety	20,637,823	20,637,823	21,006,460
Streets and Sidewalks	2,885,225	2,885,225	2,364,624
Vehicle and Maintenance	913,800	913,800	742,774
Health and Human Services	18,300	18,300	11,448
Community Development	215,650	215,650	122,233
Building and Inspection Services	2,067,869	2,067,869	1,205,278
Total Expenditures	30,910,520	30,910,520	29,162,999
Excess (Deficiency) of Revenues Over (Under) Expenditures	107,598	107,598	539,751
Other Financing (Uses)			
Transfers Out	(107,375)	(107,375)	(736,875)
Net Change in Fund Balance	223	223	(197,124)
Fund Balance - Beginning			11,791,556
Fund Balance - Ending			11,594,432

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, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,400,000	2,400,000	3,340,753
Interest Income	25,000	25,000	5,503
Miscellaneous	-	-	17,000
Total Revenues	2,425,000	2,425,000	3,363,256
Expenditures			
Community Development			
Personnel Services	-	-	275
Contractual Services	286,810	286,810	151,101
Capital Outlay	2,634,500	2,634,500	-
Debt Service			
Principal Retirement	620,000	620,000	620,000
Interest and Fiscal Charges	165,800	165,800	165,800
Total Expenditures	3,707,110	3,707,110	937,176
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,282,110)	(1,282,110)	2,426,080
Other Financing Sources			
Disposal of Capital Assets	710,000	710,000	-
Net Change in Fund Balance	(572,110)	(572,110)	2,426,080
Fund Balance - Beginning			13,274,165
Fund Balance - Ending			15,700,245

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	-	-	686,765
Intergovernmental			
Sales Taxes	15,000	15,000	-
Interest Income	-	-	41,305
Miscellaneous	-	-	91,042
Total Revenues	15,000	15,000	819,112
Expenditures			
Community Development			
Contractual Services	4,540,000	15,270,610	7,310,492
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,525,000)	(15,255,610)	(6,491,380)
Other Financing Sources (Uses)			
Debt Issuance	3,200,000	3,200,000	-
Transfers Out	-	-	(1,815,014)
	3,200,000	3,200,000	(1,815,014)
Net Change in Fund Balance	(1,325,000)	(12,055,610)	(8,306,394)
Fund Balance - Beginning			10,943,228
Fund Balance - Ending			2,636,834

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.

Waukegan Road Tax Increment Financing Fund

The Waukegan Road 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 Waukegan Road. 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.

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.

INDIVIDUAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS – CONTINUED

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.

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.

Dempster/Waukegan TIF Fund

The Dempster/Waukegan TIF Fund is used to account for expenditures related to promoting economic redevelopment in the Prairie View Shopping Center within the Dempster/Waukegan TIF District.

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.

INDIVIDUAL FUND DESCRIPTIONS

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.

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.

INDIVIDUAL FUND DESCRIPTIONS

PENSION TRUST FUNDS – CONTINUED

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 City 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 pensions for the Village's sworn firefighter/paramedic personnel. Most rules and regulations of the fund are established by the Pension Division of the Illinois Department of Insurance. Resources are contributed by sworn firefighter/paramedic personnel at rates fixed by state statutes and by the Village through an annual property tax levy.

VILLAGE OF MORTON GROVE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual For the Fiscal Year Ended December 31, 2020

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 9,865,268	9,865,268	9,833,599
Telecommunications Tax	600,000	600,000	455,579
Home Rule Sales Tax	2,500,000	2,500,000	2,044,130
Utility Taxes	1,625,000	1,625,000	1,513,744
Other Taxes	2,292,000	2,292,000	1,827,273
	16,882,268	16,882,268	15,674,325
Intergovernmental			
Personal Property Replacement Tax	310,000	310,000	390,360
Sales Tax	4,500,000	4,500,000	4,282,443
State Income Tax	2,400,000	2,400,000	2,528,726
Local Use Tax	700,000	700,000	1,039,081
Grants	137,000	137,000	543,737
	8,047,000	8,047,000	8,784,347
Charges for Services			
Cable Franchise Fee	350,000	350,000	321,867
Miscellaneous	1,008,350	1,008,350	842,869
	1,358,350	1,358,350	1,164,736
Licenses and Permits	2,201,500	2,201,500	2,559,440
Fines and Forfeits	816,500	816,500	484,020
Interest Income	110,000	110,000	109,125
Miscellaneous	1,602,500	1,602,500	926,757
Total Revenues	31,018,118	31,018,118	29,702,750

VILLAGE OF MORTON GROVE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2020

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Personnel Services	\$ 63,300	63,300	46,110
Contractual Services	55,200	55,200	34,619
Commodities	2,500	2,500	336
	<u>121,000</u>	<u>121,000</u>	<u>81,065</u>
Administration			
Personnel Services	613,850	613,850	597,607
Contractual Services	49,975	49,975	33,622
Commodities	3,000	3,000	2,796
	<u>666,825</u>	<u>666,825</u>	<u>634,025</u>
Finance			
Personnel Services	570,650	570,650	517,528
Contractual Services	1,769,506	1,769,506	1,754,618
Commodities	8,500	8,500	16,964
Less Administrative Fees			
Water and Sewer Fund	(246,285)	(246,285)	(246,285)
Municipal Parking Fund	(80,000)	(80,000)	-
	<u>2,022,371</u>	<u>2,022,371</u>	<u>2,042,825</u>
Management and Information Services			
Personnel Services	232,900	232,900	233,987
Contractual Services	431,621	431,621	339,663
Commodities	1,340	1,340	23,071
Capital Outlay	57,000	57,000	52,672
	<u>722,861</u>	<u>722,861</u>	<u>649,393</u>
Legal			
Personnel Services	150,500	150,500	151,083
Contractual Services	174,000	174,000	107,365
	<u>324,500</u>	<u>324,500</u>	<u>258,448</u>

VILLAGE OF MORTON GROVE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2020

	Budget		Actual
	Original	Final	
General Government - Continued			
Other Expenditures			
Other	\$ 314,296	314,296	44,426
Total General Government	4,171,853	4,171,853	3,710,182
Public Safety			
Police			
Personnel Services	7,162,600	7,162,600	7,177,882
Contractual Services	3,852,394	3,852,394	3,760,814
Commodities	132,790	132,790	73,071
Capital Outlay	142,500	142,500	172,786
	11,290,284	11,290,284	11,184,553
Fire			
Personnel Services	5,591,000	5,591,000	6,096,736
Contractual Services	3,198,699	3,198,699	3,174,210
Commodities	242,125	242,125	182,463
Capital Outlay	310,000	310,000	366,021
	9,341,824	9,341,824	9,819,430
Civil Preparedness			
Contractual Services	4,715	4,715	2,477
Commodities	1,000	1,000	-
	5,715	5,715	2,477
Total Public Safety	20,637,823	20,637,823	21,006,460
Streets and Sidewalks			
Streets and Sidewalks			
Personnel Services	1,861,600	1,861,600	1,589,330
Contractual Services	713,750	713,750	556,272
Commodities	171,900	171,900	124,320
Capital Outlay	57,000	57,000	52,185
Less Administrative Fees			
Motor Fuel Tax Fund	(341,000)	(341,000)	(341,000)
	2,463,250	2,463,250	1,981,107

VILLAGE OF MORTON GROVE, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2020**

	Budget		Actual
	Original	Final	
Streets and Sidewalks - Continued			
Engineering			
Personnel Services	\$ 396,600	396,600	373,778
Contractual Services	22,200	22,200	8,798
Commodities	3,175	3,175	941
	421,975	421,975	383,517
Total Streets and Sidewalks	2,885,225	2,885,225	2,364,624
Vehicle and Maintenance			
Personnel Services	431,500	431,500	437,903
Contractual Services	104,440	104,440	59,333
Commodities	377,860	377,860	245,538
Total Vehicle and Maintenance	913,800	913,800	742,774
Health and Human Services			
Personnel Services	-	-	1,064
Contractual Services	17,300	17,300	10,384
Commodities	1,000	1,000	-
Total Health and Human Services	18,300	18,300	11,448
Community Development			
Personnel Services	182,000	182,000	111,044
Contractual Services	31,650	31,650	10,525
Commodities	2,000	2,000	664
Total Community Development	215,650	215,650	122,233
Building and Inspection Services			
Building and Inspection Services			
Personnel Services	414,100	414,100	331,160
Contractual Services	670,450	670,450	275,543
Commodities	2,400	2,400	1,447
	1,086,950	1,086,950	608,150

VILLAGE OF MORTON GROVE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2020

	Budget		Actual
	Original	Final	
Building and Inspection Services - Continued			
Municipal Buildings			
Personnel Services	\$ 217,220	217,220	166,391
Contractual Services	264,999	264,999	228,047
Commodities	22,700	22,700	17,991
Capital Outlay	476,000	476,000	184,699
	980,919	980,919	597,128
 Total Building and Inspection Services	 2,067,869	 2,067,869	 1,205,278
 Total Expenditures	 30,910,520	 30,910,520	 29,162,999

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 964,469	964,469	954,951
Intergovernmental			
Sales Taxes	150,000	150,000	139,570
Interest Income	5,000	5,000	9,373
Total Revenues	1,119,469	1,119,469	1,103,894
Expenditures			
Debt Service			
Principal Retirement	1,586,171	1,586,171	1,586,171
Interest and Fiscal Charges	305,742	305,742	303,750
Total Expenditures	1,891,913	1,891,913	1,889,921
Excess (Deficiency) of Revenues Over (Under) Expenditures	(772,444)	(772,444)	(786,027)
Other Financing Sources			
Transfers In	436,875	436,875	436,875
Net Change in Fund Balance	<u>(335,569)</u>	<u>(335,569)</u>	(349,152)
Fund Balance - Beginning			<u>116,253</u>
Fund Balance - Ending			<u>(232,899)</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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Personal Property Replacement Taxes	\$ 34,100	34,100	39,489
Sales Taxes	25,000	25,000	23,262
Other	1,013,500	1,013,500	-
Interest Income	-	-	19,562
Total Revenues	1,072,600	1,072,600	82,313
Expenditures			
Capital Outlay			
Capital Projects			
Street Improvements	2,260,000	2,260,000	37,077
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,187,400)	(1,187,400)	45,236
Other Financing Sources			
Transfers In	-	-	300,000
Net Change in Fund Balance	<u>(1,187,400)</u>	<u>(1,187,400)</u>	345,236
Fund Balance - Beginning			<u>1,244,392</u>
Fund Balance - Ending			<u>1,589,628</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2020

	Motor Fuel Tax	Commuter Parking Facility
ASSETS		
Cash and Investments	\$ 1,541,407	-
Receivables - Net of Allowances		
Other Taxes	77,245	-
Due from Other Funds	-	-
Total Assets	1,618,652	-
LIABILITIES		
Accounts Payable	12,218	185
Due to Other Funds	-	22,175
Total Liabilities	12,218	22,360
FUND BALANCES		
Restricted	1,606,434	-
Unassigned	-	(22,360)
Total Fund Balances	1,606,434	(22,360)
Total Liabilities and Fund Balances	1,618,652	-

911 Emergency Telephone System	Economic Development	Fire Alarm	Seizure	Dempster/ Waukegan TIF	Totals
551,407	-	528,840	722,658	-	3,344,312
-	207,500	-	-	-	284,745
-	-	-	7,370	-	7,370
551,407	207,500	528,840	730,028	-	3,636,427
180	-	4,992	-	-	17,575
-	1,035,470	-	-	-	1,057,645
180	1,035,470	4,992	-	-	1,075,220
551,227	-	523,848	730,028	-	3,411,537
-	(827,970)	-	-	-	(850,330)
551,227	(827,970)	523,848	730,028	-	2,561,207
551,407	207,500	528,840	730,028	-	3,636,427

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, 2020

	Motor Fuel Tax	Commuter Parking Facility
Revenues		
Intergovernmental	\$ 1,358,021	-
Charges for Services	-	25,430
Interest Income	3,680	-
Total Revenues	1,361,701	25,430
Expenditures		
Public Safety	-	-
Streets and Sidewalks	744,990	24,545
Community Development	-	-
Total Expenditures	744,990	24,545
Excess (Deficiency) of Revenues Over (Under) Expenditures	616,711	885
Other Financing Sources		
Transfers In	-	-
Net Change in Fund Balances	616,711	885
Fund Balances - Beginning	989,723	(23,245)
Fund Balances - Ending	1,606,434	(22,360)

911 Emergency Telephone System	Economic Development	Fire Alarm	Seizure	Dempster/ Waukegan TIF	Totals
-	788,019	-	66,441	-	2,212,481
447,660	-	180,514	-	-	653,604
-	17,108	-	1,463	-	22,251
447,660	805,127	180,514	67,904	-	2,888,336
351,003	-	288,641	40,817	-	680,461
-	-	-	-	-	769,535
-	542,172	-	-	-	542,172
351,003	542,172	288,641	40,817	-	1,992,168
96,657	262,955	(108,127)	27,087	-	896,168
-	-	-	-	248,102	248,102
96,657	262,955	(108,127)	27,087	248,102	1,144,270
454,570	(1,090,925)	631,975	702,941	(248,102)	1,416,937
551,227	(827,970)	523,848	730,028	-	2,561,207

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Taxes	\$ 900,000	900,000	1,358,021
Interest Income	10,000	10,000	3,680
Total Revenues	910,000	910,000	1,361,701
Expenditures			
Streets and Sidewalks			
Contractual Services	548,000	548,000	64,777
Commodities	343,850	343,850	339,213
Administrative Fees			
General Fund	341,000	341,000	341,000
Total Expenditures	1,232,850	1,232,850	744,990
Net Change in Fund Balance	(322,850)	(322,850)	616,711
Fund Balance - Beginning			989,723
Fund Balance - Ending			1,606,434

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Parking Fees	\$ 138,600	138,600	25,430
Expenditures			
Streets and Sidewalks			
Contractual Services	42,300	42,300	24,434
Commodities	5,600	5,600	111
Administrative Fees			
Water and Sewer Fund	10,500	10,500	-
Total Expenditures	58,400	58,400	24,545
Net Change in Fund Balance	80,200	80,200	885
Fund Balance - Beginning			(23,245)
Fund Balance - Ending			(22,360)

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Telecommunications Surcharges	\$ 345,000	345,000	447,660
Expenditures			
Public Safety			
Personnel Services	345,000	345,000	351,003
Net Change in Fund Balance	-	-	96,657
Fund Balance - Beginning			454,570
Fund Balance - Ending			551,227

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Sales Taxes	\$ 935,000	935,000	788,019
Interest Income	25,000	25,000	17,108
Total Revenues	960,000	960,000	805,127
Expenditures			
Community Development			
Contractual Services	1,004,759	1,131,131	542,172
Net Change in Fund Balance	(44,759)	(171,131)	262,955
Fund Balance - Beginning			(1,090,925)
Fund Balance - Ending			(827,970)

VILLAGE OF MORTON GROVE, ILLINOIS**Fire Alarm - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Subscribers Fees	\$ 200,000	200,000	180,514
Interest Income	100	100	-
Total Revenues	200,100	200,100	180,514
Expenditures			
Public Safety			
Personnel Services	36,600	36,600	3,548
Contractual Services	175,400	175,400	178,862
Commodities	112,000	112,000	81,231
Administrative Fees			
General Fund	25,000	25,000	25,000
Total Expenditures	349,000	349,000	288,641
Net Change in Fund Balance	(148,900)	(148,900)	(108,127)
Fund Balance - Beginning			631,975
Fund Balance - Ending			523,848

VILLAGE OF MORTON GROVE, ILLINOIS

Seizure - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Seizure Revenue	\$ 65,000	65,000	66,441
Interest Income	500	500	1,463
Total Revenues	65,500	65,500	67,904
Expenditures			
Public Safety			
Peronnel Services	326,000	326,000	40,817
Net Change in Fund Balance	(260,500)	(260,500)	27,087
Fund Balance - Beginning			702,941
Fund Balance - Ending			730,028

VILLAGE OF MORTON GROVE, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2020

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Sales	\$ 7,500,000	7,500,000	7,228,469
Sewer Charges	785,250	785,250	757,149
Miscellaneous	115,500	115,500	14,931
Total Operating Revenues	8,400,750	8,400,750	8,000,549
Operating Expenses			
Operations			
Personnel Services	1,988,900	1,988,900	1,680,203
Contractual Services	2,560,260	2,560,260	1,392,935
Capital Outlay	2,580,000	2,580,000	-
Water Purchases	4,510,000	4,510,000	2,873,969
Commodities	542,035	542,035	492,637
Administrative Fees	153,000	153,000	246,285
Other	5,000	5,000	-
Depreciation and Amortization	350,000	350,000	489,829
Total Operating Expenses	12,689,195	12,689,195	7,175,858
Operating Income (Loss)	(4,288,445)	(4,288,445)	824,691
Nonoperating Revenues (Expenses)			
Connection Fees	20,000	20,000	25,682
Interest Income	10,000	10,000	9,257
Other Income	180,000	180,000	190,922
Principal Payments	(211,200)	(211,200)	-
Interest Expense	(144,657)	(144,657)	(101,051)
	(145,857)	(145,857)	124,810
Income (Loss) Before Grants	(4,434,302)	(4,434,302)	949,501
Capital Grants	60,000	60,000	-
Change in Net Position	(4,374,302)	(4,374,302)	949,501
Net Position - Beginning			3,448,953
Net Position - Ending			4,398,454

VILLAGE OF MORTON GROVE, ILLINOIS

Nonmajor Enterprise Funds

Combining Statement of Net Position

December 31, 2020

	Solid Waste	Municipal Parking	Morton Grove Days	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ 1,017,542	421,511	-	1,439,053
Receivables - Net of Allowances				
Accounts	75,296	-	1,725	77,021
Prepays	32,303	-	-	32,303
Total Assets	1,125,141	421,511	1,725	1,548,377
LIABILITIES				
Current Liabilities				
Accounts Payable	36,139	-	1,993	38,132
Other Liabilities	-	35,465	-	35,465
Due to Other Funds	-	-	18,822	18,822
Total Liabilities	36,139	35,465	20,815	92,419
NET POSITION				
Unrestricted	1,089,002	386,046	(19,090)	1,455,958

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, 2020**

	Solid Waste	Municipal Parking	Morton Grove Days	Totals
Operating Revenues				
Charges for Services	\$ 2,087,825	11,426	-	2,099,251
Operating Expenses				
Operations	1,814,565	62	36,143	1,850,770
Operating Income (Loss)	273,260	11,364	(36,143)	248,481
Nonoperating Revenues				
Interest Income	288	-	-	288
Change in Net Position	273,548	11,364	(36,143)	248,769
Net Position - Beginning	815,454	374,682	17,053	1,207,189
Net Position - Ending	1,089,002	386,046	(19,090)	1,455,958

VILLAGE OF MORTON GROVE, ILLINOIS**Nonmajor Enterprise Funds****Combining Statement of Cash Flows
For the Fiscal Year Ended December 31, 2020**

	Solid Waste	Municipal Parking	Morton Grove Days	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,067,811	11,426	-	2,079,237
Payments to Suppliers	(1,826,612)	(81)	(34,758)	(1,861,451)
	241,199	11,345	(34,758)	217,786
Cash Flows from Noncapital Financing Activities				
Interfund Loans	-	-	18,822	18,822
Cash Flows from Investing Activities				
Interest Income	288	-	-	288
Net Change in Cash and Cash Equivalents	241,487	11,345	(15,936)	236,896
Cash and Cash Equivalents - Beginning	776,055	410,166	15,936	1,202,157
Cash and Cash Equivalents - Ending	1,017,542	421,511	-	1,439,053
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	273,260	11,364	(36,143)	248,481
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities				
(Increase) Decrease in Assets	(20,014)	-	-	(20,014)
Increase (Decrease) in Liabilities	(12,047)	(19)	1,385	(10,681)
Net Cash Provided (Used) by Operating Activities	241,199	11,345	(34,758)	217,786

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, 2020

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Waste	\$ 2,025,252	2,025,252	2,087,825
Operating Expenses			
Operations			
Contractual Services	1,959,237	1,959,237	1,679,565
Administrative Fees	135,000	135,000	135,000
Total Operating Expenses	2,094,237	2,094,237	1,814,565
Operating Income (Loss)	(68,985)	(68,985)	273,260
Nonoperating Revenues			
Interest Income	250	250	288
Change in Net Position	(68,735)	(68,735)	273,548
Net Position - Beginning			815,454
Net Position - Ending			1,089,002

VILLAGE OF MORTON GROVE, ILLINOIS

Municipal Parking - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2020

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking	\$ 56,000	56,000	11,426
Operating Expenses			
Operations			
Contractual Services	2,400	2,400	62
Commodities	800	800	-
Administrative Fees	80,000	80,000	-
Total Operating Expenses	83,200	83,200	62
Operating Income (Loss)	(27,200)	(27,200)	11,364
Nonoperating Revenues			
Interest Income	100	100	-
Change in Net Position	<u>(27,100)</u>	<u>(27,100)</u>	11,364
Net Position - Beginning			<u>374,682</u>
Net Position - Ending			<u>386,046</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Morton Grove Days - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2020

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Morton Grove Days	\$ 145,000	145,000	-
Operating Expenses			
Operations			
Contractual Services	120,000	120,000	35,548
Commodities	25,000	25,000	595
Total Operating Expenses	145,000	145,000	36,143
Change in Net Position	-	-	(36,143)
Net Position - Beginning			17,053
Net Position - Ending			(19,090)

VILLAGE OF MORTON GROVE, ILLINOIS**Pension Trust Funds****Combining Statement of Fiduciary Net Position
December 31, 2020**

	Municipal Employees' Retirement	Police Pension	Firefighters' Pension	Totals
ASSETS				
Cash and Cash Equivalents	\$ -	274,071	954,738	1,228,809
Investments				
U.S. Government Obligations	-	6,306,787	1,766,875	8,073,662
U.S. Agency Obligations	-	983,647	11,532,163	12,515,810
Municipal Bonds	-	1,100,465	2,161,618	3,262,083
Corporate Bonds	-	8,870,096	2,959,450	11,829,546
Annuity Contracts	11,530,373	-	-	11,530,373
Money Market Mutual Funds	-	1,378,325	653,226	2,031,551
Equities	-	17,276,196	25,518,495	42,794,691
Common Stock	-	6,795,289	-	6,795,289
Receivables - Net				
Accounts	6,878	-	-	6,878
Accrued Interest	-	83,493	107,812	191,305
Prepays	-	4,278	4,011	8,289
Total Assets	11,537,251	43,072,647	45,658,388	100,268,286
LIABILITIES				
Accounts Payable	-	18,729	32,480	51,209
NET POSITION				
Net Position Restricted for Pensions	11,537,251	43,053,918	45,625,908	100,217,077

VILLAGE OF MORTON GROVE, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended December 31, 2020

	Municipal Employees' Retirement	Police Pension	Firefighters' Pension	Totals
Additions				
Contributions - Employer	\$ 1,140,546	2,866,069	2,856,837	6,863,452
Contributions - Plan Members	208,422	546,002	412,917	1,167,341
Total Contributions	1,348,968	3,412,071	3,269,754	8,030,793
Investment Income				
Interest Earned	270,071	771,022	1,045,123	2,086,216
Net Change in Fair Value	-	4,786,705	4,986,360	9,773,065
	270,071	5,557,727	6,031,483	11,859,281
Less Investment Expenses	(22,444)	(71,298)	(103,582)	(197,324)
Net Investment Income	247,627	5,486,429	5,927,901	11,661,957
Total Additions	1,596,595	8,898,500	9,197,655	19,692,750
Deductions				
Administration	-	39,103	40,260	79,363
Benefits and Refunds	1,768,393	4,286,231	3,504,222	9,558,846
Total Deductions	1,768,393	4,325,334	3,544,482	9,638,209
Change in Fiduciary Net Position	(171,798)	4,573,166	5,653,173	10,054,541
Net Position Restricted for Pensions				
Beginning	11,709,049	38,480,752	39,972,735	90,162,536
Ending	11,537,251	43,053,918	45,625,908	100,217,077

VILLAGE OF MORTON GROVE, ILLINOIS

Municipal Employees' Retirement - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2020

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 1,140,546	1,140,546	1,140,546
Contributions - Plan Members	195,900	195,900	208,422
Total Contributions	1,336,446	1,336,446	1,348,968
Investment Income			
Interest Earned	240,000	240,000	270,071
Net Change in Fair Value	-	-	-
	240,000	240,000	270,071
Less Investment Expenses	(23,000)	(23,000)	(22,444)
Net Investment Income	217,000	217,000	247,627
Total Additions	1,553,446	1,553,446	1,596,595
Deductions			
Administration	3,000	3,000	-
Benefits and Refunds	1,300,000	1,300,000	1,768,393
Total Deductions	1,303,000	1,303,000	1,768,393
Change in Fiduciary Net Position	250,446	250,446	(171,798)
Net Position Restricted for Pensions			
Beginning			11,709,049
Ending			11,537,251

VILLAGE OF MORTON GROVE, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2020

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,855,067	2,855,067	2,866,069
Contributions - Plan Members	496,000	496,000	546,002
Total Contributions	3,351,067	3,351,067	3,412,071
Investment Income			
Interest Earned	300,000	300,000	771,022
Net Change in Fair Value	1,300,000	1,300,000	4,786,705
	1,600,000	1,600,000	5,557,727
Less Investment Expenses	(65,000)	(65,000)	(71,298)
Net Investment Income	1,535,000	1,535,000	5,486,429
Total Additions	4,886,067	4,886,067	8,898,500
Deductions			
Administration	54,600	54,600	39,103
Benefits and Refunds	3,980,000	3,980,000	4,286,231
Total Deductions	4,034,600	4,034,600	4,325,334
Change in Fiduciary Net Position	851,467	851,467	4,573,166
Net Position Restricted for Pensions			
Beginning			38,480,752
Ending			43,053,918

VILLAGE OF MORTON GROVE, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2020

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,851,644	2,851,644	2,856,837
Contributions - Plan Members	400,000	400,000	412,917
Total Contributions	3,251,644	3,251,644	3,269,754
Investment Income			
Interest Earned	400,000	400,000	1,045,123
Net Change in Fair Value	1,100,000	1,100,000	4,986,360
	1,500,000	1,500,000	6,031,483
Less Investment Expenses	(95,000)	(95,000)	(103,582)
Net Investment Income	1,405,000	1,405,000	5,927,901
Total Additions	4,656,644	4,656,644	9,197,655
Deductions			
Administration	62,000	62,000	40,260
Benefits and Refunds	3,616,000	3,616,000	3,504,222
Total Deductions	3,678,000	3,678,000	3,544,482
Change in Fiduciary Net Position	978,644	978,644	5,653,173
Net Position Restricted for Pensions			
Beginning			39,972,735
Ending			45,625,908

VILLAGE OF MORTON GROVE, ILLINOIS

Consolidated Year-End Financial Report December 31, 2020

CSFA #	Program Name	State	Federal	Other	Totals
494-00-1488	Motor Fuel Tax Program	\$ 744,960	-	-	744,960
	Other Grant Programs and Activities	33,248	354,243	-	387,491
	All Other Costs Not Allocated	-	-	45,648,947	45,648,947
	Totals	778,208	354,243	45,648,947	46,781,398



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING
STANDARDS**

October 27, 2021

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Morton Grove, Illinois, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated October 27, 2021. Our report includes a reference to other auditors who audited the financial statements of the Morton Grove Police Pension Fund and Morton Grove Firefighters' Fund, as described in our report on the Village's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

VILLAGE OF MORTON GROVE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bond of 2014
December 31, 2020**

Date of Issue	March 25, 2014
Date of Maturity	December 15, 2021
Authorized Issue	\$1,415,000
Interest Rate	2.395%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Chase Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2021	\$ 475,000	11,376	486,376

VILLAGE OF MORTON GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Bond of 2015 December 31, 2020

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
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2021	\$ 1,440,000	231,300	1,671,300
2022	1,840,000	159,300	1,999,300
2023	730,000	67,300	797,300
2024	770,000	30,800	800,800
	<u>4,780,000</u>	<u>488,700</u>	<u>5,268,700</u>

VILLAGE OF MORTON GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bond of 2019 December 31, 2020

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
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2021	\$ 435,000	211,213	646,213
2022	470,000	189,463	659,463
2023	495,000	165,963	660,963
2024	520,000	141,213	661,213
2025	545,000	115,213	660,213
2026	570,000	87,962	657,962
2027	595,000	59,462	654,462
2028	710,000	29,712	739,712
2029	730,000	15,512	745,512
	<u>5,070,000</u>	<u>1,015,713</u>	<u>6,085,713</u>
	2,839,200	Debt Service Fund	
	<u>2,230,800</u>	Water and Sewer Fund	
	<u><u>5,070,000</u></u>		

VILLAGE OF MORTON GROVE, ILLINOIS

Long-Term Debt Requirements

Senior Lien Tax Increment Revenue Bond of 2019 December 31, 2020

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2021	\$ -	895,150	895,150
2022	-	895,150	895,150
2023	495,000	884,631	1,379,631
2024	610,000	861,150	1,471,150
2025	640,000	834,588	1,474,588
2026	675,000	806,644	1,481,644
2027	780,000	775,725	1,555,725
2028	820,000	741,725	1,561,725
2029	860,000	706,025	1,566,025
2030	980,000	663,250	1,643,250
2031	1,035,000	612,875	1,647,875
2032	1,095,000	559,625	1,654,625
2033	1,235,000	501,375	1,736,375
2034	1,300,000	438,000	1,738,000
2035	1,375,000	371,125	1,746,125
2036	1,530,000	298,500	1,828,500
2037	1,615,000	219,875	1,834,875
2038	1,705,000	136,875	1,841,875
2039	1,885,000	47,125	1,932,125
	<u>18,635,000</u>	<u>11,249,413</u>	<u>29,884,413</u>

STATISTICAL SECTION

(Unaudited)

This part of the comprehensive annual 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 Village'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, 2020 (Unaudited)

	2011	2012	2013	2014
Governmental Activities				
Net Investment in Capital Assets	\$ 44,804,287	44,017,021	45,225,759	44,444,400
Restricted	11,645,390	13,415,241	14,644,385	15,893,795
Unrestricted	(18,379,105)	(20,475,242)	(23,595,025)	(23,603,372)
Total Governmental Activities Net Position	38,070,572	36,957,020	36,275,119	36,734,823
Business-Type Activities				
Net Investment in Capital Assets	4,490,571	4,108,087	4,945,237	5,875,794
Unrestricted	409,939	2,044,418	2,835,446	3,765,559
Total Business-Type Activities Net Position	4,900,510	6,152,505	7,780,683	9,641,353
Primary Government				
Net Investment in Capital Assets	49,294,858	48,125,108	50,170,996	50,320,194
Restricted	11,645,390	13,415,241	14,644,385	15,893,795
Unrestricted	(17,969,166)	(18,430,824)	(20,759,579)	(19,837,813)
Total Primary Government Net Position	42,971,082	43,109,525	44,055,802	46,376,176

* Accrual Basis of Accounting

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

Data Source: Audited Financial Statements

2015	2016	2017	2018	2019	2020
44,953,060	39,217,439	42,544,431	42,539,916	44,113,319	45,731,628
17,293,933	19,744,965	15,640,410	15,740,469	28,358,753	23,426,347
(71,822,364)	(75,847,646)	(79,477,082)	(93,830,870)	(118,642,317)	(115,022,278)
(9,575,371)	(16,885,242)	(21,292,241)	(35,550,485)	(46,170,245)	(45,864,303)
5,778,164	5,960,197	6,556,655	6,807,293	7,095,776	7,393,385
1,925,554	1,182,811	1,776,058	387,530	(2,439,634)	(1,538,973)
7,703,718	7,143,008	8,332,713	7,194,823	4,656,142	5,854,412
50,731,224	45,177,636	49,101,086	49,347,209	51,209,095	53,125,013
17,293,933	19,744,965	15,640,410	15,740,469	28,358,753	23,426,347
(69,896,810)	(74,664,835)	(77,701,024)	(93,443,340)	(121,081,951)	(116,561,251)
(1,871,653)	(9,742,234)	(12,959,528)	(28,355,662)	(41,514,103)	(40,009,891)

VILLAGE OF MORTON GROVE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* December 31, 2020 (Unaudited)

	2011	2012	2013
Expenses			
Governmental Activities			
General Government	\$ 2,989,799	5,634,828	3,826,691
Public Safety	18,359,859	18,526,759	18,773,860
Streets and Highways	4,685,104	3,547,591	5,823,268
Vehicle Maintenance	738,039	816,073	846,686
Health and Human Services	254,522	266,405	270,450
Community Development	331,224	470,695	467,393
Building and Inspection al Services	533,941	699,282	845,669
Interest	1,043,389	862,272	805,158
Total Governmental Activities Expenses	28,935,877	30,823,905	31,659,175
Business-Type Activities			
Waterworks and Sewerage	5,371,031	6,286,120	6,770,519
Solid Waste	1,818,505	1,820,057	1,869,140
Municipal Parking	-	370	11,721
Morton Grove Days	-	-	-
Total Business-Type Activities Expenses	7,189,536	8,106,547	8,651,380
Total Primary Government Expenses	36,125,413	38,930,452	40,310,555
Program Revenues			
Governmental Activities			
Charges for Services			
General Government	2,889,549	2,870,140	3,120,247
Public Safety	722,977	668,063	905,530
Other Activites	7,981	3,657	8,306
Operating Grants/Contributions	882,240	1,002,278	758,925
Capital Grants/Contributions	278,738	157,618	462,298
Total Governmental Activities Program Revenues	4,781,485	4,701,756	5,255,306
Business-Type Activities			
Charges for Services			
Waterworks and Sewerage	5,773,298	7,106,948	7,857,661
Solid Waste	1,830,623	1,888,288	1,956,253
Municipal Parking	13,660	44,325	54,091
Morton Grove Days	-	-	-
Capital Grants/Contributions	64,122	64,122	59,024
Total Business-Type Activities Program Revenues	7,681,703	9,103,683	9,927,029
Total Primary Government Program Revenues	12,463,188	13,805,439	15,182,335

2014	2015	2016	2017	2018	2019	2020
3,749,953	5,122,457	4,952,670	5,117,197	4,099,466	5,211,634	3,008,128
19,225,281	25,760,081	26,283,790	24,371,736	20,851,590	26,095,188	20,431,755
4,043,649	7,364,136	6,569,693	5,889,348	8,753,053	3,413,255	4,085,760
793,103	701,174	687,317	662,341	696,662	852,620	742,774
282,897	220,531	16,446	9,059	27,957	50,378	11,448
980,882	1,118,066	688,354	1,594,966	3,069,076	9,496,350	8,126,273
794,883	714,270	896,333	1,042,263	960,551	1,553,521	814,303
781,321	943,022	642,697	584,476	418,766	645,445	433,278
30,651,969	41,943,737	40,737,300	39,271,386	38,877,121	47,318,391	37,653,719
7,356,131	10,269,076	9,499,761	8,168,387	8,477,929	10,788,627	7,276,909
1,857,923	1,869,199	1,788,287	1,835,572	1,868,109	2,100,530	1,814,565
11,380	11,348	12,585	11,158	10,769	10,425	62
-	-	-	150,433	148,263	141,306	36,143
9,225,434	12,149,623	11,300,633	10,165,550	10,505,070	13,040,888	9,127,679
39,877,403	54,093,360	52,037,933	49,436,936	49,382,191	60,359,279	46,781,398
3,426,448	3,273,344	2,864,038	2,989,856	3,142,468	3,371,359	3,724,176
961,296	1,087,239	1,118,677	1,127,232	1,547,758	1,397,898	1,178,635
2,403	8,102	176,970	122,461	120,190	109,215	25,430
829,051	1,077,504	606,115	611,558	602,421	763,393	1,358,021
158,042	141,474	63,670	206,238	84,693	173,464	543,737
5,377,240	5,587,663	4,829,470	5,057,345	5,497,530	5,815,329	6,829,999
8,678,471	8,691,690	8,441,426	8,485,210	8,247,849	7,998,846	8,026,231
1,983,404	2,014,617	1,985,744	2,042,578	2,001,847	2,071,104	2,087,825
59,633	57,935	58,507	49,120	61,025	55,184	11,426
-	-	-	195,763	137,846	123,446	-
59,473	59,601	59,112	58,543	53,419	-	-
10,780,981	10,823,843	10,544,789	10,831,214	10,501,986	10,248,580	10,125,482
16,158,221	16,411,506	15,374,259	15,888,559	15,999,516	16,063,909	16,955,481

VILLAGE OF MORTON GROVE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* - Continued December 31, 2020 (Unaudited)

	2011	2012	2013
Net (Expenses) Revenues			
Governmental Activities	(24,154,392)	(26,122,149)	(26,403,869)
Business-Type Activities	492,167	997,136	1,275,649
Total Primary Government Net (Expenses) Revenues	(23,662,225)	(25,125,013)	(25,128,220)
General Revenues and Other Changes in Net Position			
Governmental Activities			
Taxes			
Property	12,796,737	12,620,923	12,559,743
Utility	1,154,124	1,119,227	1,166,101
Sales	5,602,819	5,940,931	6,277,412
Other	2,231,857	2,471,292	2,287,247
Intergovernmental - Unrestricted			
Personal Property Replacement	348,557	349,197	387,116
Income Taxes	1,797,158	2,044,675	2,217,174
Local Use	338,416	366,352	400,868
Interest Income	73,661	26,846	12,248
Miscellaneous	813,078	262,112	414,059
Gain on Disposal of Capital Assets	25,518	-	-
Total Governmental Activities General Revenues	25,181,925	25,201,555	25,721,968
Business-Type Activities			
Interest Income	15,454	13,740	2,665
Miscellaneous	297,636	296,582	300,864
Gain on Disposal of Capital Assets	-	-	49,000
Total Business-Type Activities General Revenues	313,090	310,322	352,529
Total Primary Government General Revenues	25,495,015	25,511,877	26,074,497
Changes in Net Position			
Governmental Activities	1,027,533	(920,594)	(681,901)
Business-Type Activities	805,257	1,307,458	1,628,178
Total Primary Government Changes in Net Position	1,832,790	386,864	946,277

* Accrual Basis of Accounting

Data Source: Audited Financial Statements

2014	2015	2016	2017	2018	2019	2020
(25,274,729)	(36,356,074)	(35,907,830)	(34,214,041)	(33,379,591)	(41,503,062)	(30,823,720)
1,555,547	(1,325,780)	(755,844)	665,664	(3,084)	(2,792,308)	997,803
(23,719,182)	(37,681,854)	(36,663,674)	(33,548,377)	(33,382,675)	(44,295,370)	(29,825,917)
12,444,336	12,861,602	13,010,453	13,474,303	13,757,494	14,038,228	14,816,068
1,228,883	1,272,845	2,039,489	1,506,508	1,649,183	1,592,759	1,513,744
6,413,855	6,801,069	7,642,127	7,713,258	8,099,670	8,038,598	7,277,424
2,186,679	2,659,951	2,283,702	2,872,210	2,719,557	2,591,256	2,282,852
398,843	405,808	402,648	470,075	390,862	481,138	429,849
2,227,959	2,476,003	2,265,196	2,137,330	2,228,476	2,476,837	2,528,726
454,615	517,569	565,191	601,914	683,568	785,168	1,039,081
15,843	17,912	60,078	776,459	304,846	367,036	207,119
363,420	236,286	329,075	224,985	599,709	512,282	1,034,799
-	-	-	-	-	-	-
25,734,433	27,249,045	28,597,959	29,777,042	30,433,365	30,883,302	31,129,662
2,966	2,322	11,330	15,972	32,374	40,392	9,545
284,657	315,446	173,804	194,279	151,901	213,235	190,922
17,500	6,300	-	-	-	-	-
305,123	324,068	185,134	210,251	184,275	253,627	200,467
26,039,556	27,573,113	28,783,093	29,987,293	30,617,640	31,136,929	31,330,129
459,704	(9,107,029)	(7,309,871)	(4,436,999)	(2,946,226)	(10,619,760)	305,942
1,860,670	(1,001,712)	(570,710)	875,915	181,191	(2,538,681)	1,198,270
2,320,374	(10,108,741)	(7,880,581)	(3,561,084)	(2,765,035)	(13,158,441)	1,504,212

VILLAGE OF MORTON GROVE, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years* December 31, 2020 (Unaudited)

	2011	2012	2013	2014
General Fund				
Nonspendable				
Advance to Other Funds	\$ 1,508,930	1,546,190	1,506,190	1,514,751
Prepaid Items	-	103,495	-	589,507
Restricted				
Public Safety	116,805	116,805	14,559	-
Retirement	-	-	-	-
Specific Property Tax Levies	-	7,357	-	-
Unrestricted/Unassigned	5,684,663	5,093,952	5,744,509	5,745,220
Total General Fund	7,310,398	6,867,799	7,265,258	7,849,478
All Other Governmental Funds				
Nonspendable				
Prepaid Items	-	-	-	-
Advance to Other Funds	-	35,714	-	44,364
Restricted				
Public Safety	459,385	482,443	498,175	805,492
Capital Improvements				
Unspent Bond Proceeds	4,284,205	2,481,828	1,078,056	18
Community Development	10,771,232	12,360,035	13,493,724	14,228,109
Economic Development	-	-	-	-
Highways and Streets	297,968	448,601	637,927	860,194
Debt Service	-	-	-	-
Unrestricted				
Committed for Community Development	133,110	-	-	-
Committed for Commuter Improvements	189,114	180,440	105,648	59,855
Assigned for Capital Improvements	683,421	543,242	-	-
Unassigned	(1,494,055)	(1,956,874)	(2,150,549)	(1,905,351)
Total All Other Governmental Funds	15,324,380	14,575,429	13,662,981	14,092,681
Total Governmental Funds	22,634,778	21,443,228	20,928,239	21,942,159

* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

2015	2016	2017	2018	2019	2020
2,781,489	3,276,359	1,148,930	1,148,930	1,148,930	1,148,930
192	192	192	192	192	192
-	-	-	-	-	-
4,961	-	-	66,273	117,759	88,103
-	-	-	-	-	-
5,891,331	6,678,041	10,201,704	11,084,114	10,524,675	10,357,207
8,677,973	9,954,592	11,350,826	12,299,509	11,791,556	11,594,432
297,983	-	-	-	-	-
-	44,364	-	-	-	-
1,168,217	1,266,779	1,372,686	1,540,143	1,789,486	1,805,103
3,597,581	1,753,252	1,076,628	1,151,649	1,244,392	1,589,628
15,018,344	15,830,847	12,189,640	11,802,511	24,217,393	18,337,079
-	-	-	-	-	-
765,044	841,869	915,002	916,139	989,723	1,606,434
337,367	100,190	118,339	292,204	116,253	-
-	-	-	-	-	-
61,734	66,331	23,930	641	-	-
-	-	-	-	-	-
(2,860,210)	(3,370,901)	(3,314,637)	(3,402,498)	(2,929,184)	(1,083,229)
18,386,060	16,532,731	12,381,588	12,300,789	25,428,063	22,255,015
27,064,033	26,487,323	23,732,414	24,600,298	37,219,619	33,849,447

VILLAGE OF MORTON GROVE, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years* December 31, 2020 (Unaudited)

	2011	2012	2013	2014
Revenues				
Taxes	\$ 21,551,420	21,879,247	22,290,504	22,273,754
Intergovernmental	3,645,110	4,010,271	4,290,145	4,250,153
Charges for Services	1,152,456	1,067,979	1,061,973	1,139,875
License and Permits	1,587,662	1,472,977	1,498,507	1,741,148
Fines and Forfeitures	531,010	609,450	835,461	827,515
Surcharge Fees	234,115	273,226	249,121	246,727
Interest Income	73,661	26,846	12,248	15,843
Cable TV	259,862	322,937	322,822	340,991
Miscellaneous	902,535	240,378	416,493	275,667
Total Revenues	29,937,831	29,903,311	30,977,274	31,111,673
Expenditures				
General Government	2,299,975	2,960,966	2,983,917	2,969,658
Public Safety	16,948,038	16,841,291	16,871,340	17,705,168
Streets and Sidewalks	2,752,341	2,974,086	3,147,491	3,732,439
Vehicle Maintenance	738,039	816,073	846,686	793,103
Health and Human Services	255,880	263,187	284,289	282,897
Community Development	545,904	766,988	765,500	1,322,606
Building and Inspection Services	555,482	698,263	858,707	790,256
Debt Service				
Principal Retirement	5,390,149	2,649,987	2,627,833	2,846,995
Interest	1,026,638	859,489	793,459	783,179
Capital Outlay	3,173,842	2,342,331	3,431,829	315,560
Total Expenditures	33,686,288	31,172,661	32,611,051	31,541,861
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,748,457)	(1,269,350)	(1,633,777)	(430,188)
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Issuance of Bonds	-	-	-	-
Premium on Bonds Issued	-	-	-	-
Payments to Bond Escrow	-	-	-	-
Issuance of Installment Note	-	-	1,060,000	1,415,000
Disposal of Capital Assets	29,578	77,800	58,788	29,108
	29,578	77,800	1,118,788	1,444,108
Net Change in Fund Balances	(3,718,879)	(1,191,550)	(514,989)	1,013,920
Debt Service as a Percentage of Noncapital Expenditures	19.95%	11.36%	11.02%	11.84%

* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

2015	2016	2017	2018	2019	2020
23,595,467	20,170,610	20,728,811	21,049,186	20,931,175	20,656,794
4,618,358	8,851,872	8,965,474	9,412,078	10,237,814	11,199,149
1,204,934	1,375,439	1,409,280	1,616,010	2,039,617	1,818,340
1,826,803	1,689,844	1,801,637	1,897,530	2,073,762	2,559,440
717,300	654,226	626,021	778,916	652,083	484,020
283,028	-	-	-	-	-
17,912	60,078	776,459	304,846	367,036	207,119
336,620	368,533	369,732	340,608	-	-
236,286	329,075	224,985	599,709	512,282	1,034,799
32,836,708	33,499,677	34,902,399	35,998,883	36,813,769	37,959,661
3,259,332	3,645,330	3,648,820	3,997,077	3,469,455	3,710,182
18,491,369	18,807,704	19,397,065	20,843,690	21,142,482	21,686,921
3,322,002	3,189,534	3,036,929	3,093,940	3,312,092	3,134,159
701,174	687,317	662,341	696,662	852,620	742,774
217,248	16,446	9,059	27,957	50,378	11,448
1,385,112	1,095,015	1,488,315	1,742,062	9,496,350	8,126,273
707,754	896,333	1,062,123	1,148,653	1,744,638	1,205,278
1,665,200	2,158,501	3,499,742	1,061,989	2,172,423	2,206,171
932,247	876,035	787,431	645,251	656,313	469,550
2,173,640	2,714,242	1,483,829	1,873,718	171,947	37,077
32,855,078	34,086,457	35,075,654	35,130,999	43,068,698	41,329,833
(18,370)	(586,780)	(173,255)	867,884	(6,254,929)	(3,370,172)
-	493,658	2,537,988	433,783	436,875	2,551,889
-	(493,658)	(2,537,988)	(433,783)	(436,875)	(2,551,889)
10,010,000	-	-	-	21,689,800	-
1,472,259	-	-	-	527,450	-
(6,359,521)	-	-	-	(3,343,000)	-
-	-	-	-	-	-
17,506	10,070	(2,581,654)	-	-	-
5,140,244	10,070	(2,581,654)	-	18,874,250	-
5,121,874	(576,710)	(2,754,909)	867,884	12,619,321	(3,370,172)
8.64%	9.10%	12.62%	4.90%	6.71%	6.59%

VILLAGE OF MORTON GROVE, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years December 31, 2020 (Unaudited)

Fiscal Year	Tax Levy Year	Residential Property	Farm	Commercial Property
2011	2010	701,075,231	103,019	105,399,747
2012	2011	660,244,991	103,019	89,873,325
2013	2012	606,992,305	103,019	87,545,734
2014	2013	502,751,427	87,861	84,511,239
2015	2014	498,219,161	89,479	128,260,405
2016	2015	485,947,584	89,446	135,675,717
2017	2016	587,543,773	89,527	145,322,663
2018	2017	583,828,478	89,621	149,799,822
2019	2018	571,197,120	89,590	145,556,595
2020	2019	655,555,241	89,594	178,702,961

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
146,339,223	\$	952,917,220	1.021	\$	2,858,751,660	33.333%
127,153,891		877,375,226	1.139		2,632,125,678	33.333%
116,476,425		811,117,483	1.231		2,433,352,449	33.333%
101,866,766		689,217,293	1.451		2,067,651,879	33.333%
75,359,033		701,928,078	1.505		2,105,784,234	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	1.178		2,822,344,170	33.333%

VILLAGE OF MORTON GROVE, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years December 31, 2020 (Unaudited)

	2010	2011	2012
Village Direct Rates			
General	0.5280	0.5970	0.6580
Police Pension	0.1790	0.1820	0.1910
Fire Pension	0.1990	0.2050	0.2160
Bonds and Interest	0.0750	0.1260	0.1360
IMRF	-	0.0210	0.0220
Purchase Agreement	0.0020	0.0020	0.0020
IEPA Agreement	0.0270	-	-
Capital Improvement	0.0110	0.0060	0.0060
Total Direct Rates	1.0210	1.1390	1.2310
Overlapping Rates			
Morton Grove Library	0.3350	0.3490	0.3770
School District #68	2.1330	2.4520	2.7230
School District #69	4.3570	4.8660	5.4810
School District #67	2.2030	2.4490	2.9610
School District #63	2.4990	2.7750	3.1000
School District #70	2.8900	3.2610	3.6690
High School District #207	1.7820	1.9950	2.2150
High School District #219	2.5380	2.9040	3.2560
Community College District #535	0.1600	0.1960	0.2190
Cook County	0.4230	0.4620	0.5310
Cook County Forest Preserve	0.0510	0.0580	0.0630
Consolidated Elections	-	0.0250	0.5310
Metro Water Reclamation District	0.2740	0.3200	0.3700
Morton Grove Park District	0.3110	0.3650	0.3820
Skokie Park District	0.4230	0.4760	0.5180
Glenview Park District	0.4830	0.5380	0.5790
Maine Township	0.1310	0.1490	0.1680
Niles Township	0.0360	0.0420	0.0480
North Shore Mosquito Abatement	0.0090	0.0100	0.0100

Data Source: Office of the County Clerk

2013	2014	2015	2016	2017	2018	2019
0.7250	0.7790	0.7100	0.5740	0.5484	0.4948	0.4150
0.2580	0.2650	0.3024	0.2890	0.3376	0.3581	0.3126
0.2840	0.2840	0.3136	0.2870	0.3339	0.3551	0.3122
0.1430	0.1210	0.1218	0.1020	0.0753	0.1409	0.1077
0.0300	0.0410	0.0414	0.0350	0.0353	0.0360	0.0306
0.0030	-	-	-	-	-	-
-	-	-	-	-	-	-
0.0080	0.0150	0.0148	0.0130	-	-	-
1.4510	1.5050	1.5040	1.3000	1.3305	1.3849	1.1781
0.4440	0.4580	0.4190	0.4190	0.4210	0.4300	0.3770
3.1440	3.1210	2.8630	2.8630	2.8270	2.9660	2.7350
6.2140	5.9260	5.6960	5.6960	5.8060	6.0100	5.3100
3.4970	3.4270	2.9570	2.9570	2.9620	3.1100	2.7660
3.8640	3.8110	3.4920	3.4920	3.5560	3.7630	3.2450
4.3510	4.3440	3.7970	3.7970	3.8380	3.9580	3.4090
2.7220	2.7390	2.5070	2.5070	2.5290	2.6520	2.5530
3.7070	3.6500	3.4600	4.4600	3.4090	3.3470	3.0170
0.2560	0.2580	0.2310	0.2310	0.2320	0.0246	0.2210
0.5600	0.5680	0.5330	0.5330	0.4960	0.4890	0.4540
0.0690	0.0690	0.0630	0.0630	0.0620	0.6000	0.0590
0.0310	-	-	-	0.0310	-	0.0300
0.4170	0.4300	0.4060	0.4060	0.4020	0.3960	0.3890
0.4680	0.4630	0.4310	0.4310	0.4440	0.4620	0.4060
0.5810	0.4770	0.4400	0.4400	0.4400	0.4630	0.4110
0.6620	0.6610	0.5630	0.5630	0.5670	0.6510	0.5760
0.2100	0.2100	0.1080	0.1080	0.1050	0.0920	0.0860
0.0560	0.0570	0.0460	0.0460	0.0540	0.0490	0.0520
0.0070	0.0110	0.0100	0.0100	0.0100	0.0100	0.0090

VILLAGE OF MORTON GROVE, ILLINOIS

Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago December 31, 2020 (Unaudited)

Taxpayer	2019 Tax Levy Year			2010 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	\$ 14,651,669	1	1.56%	\$ 13,545,600	5	1.42%
CRP Holdings CLP	12,208,003	2	1.30%	20,282,863	2	2.13%
Fareva Morton Grove	9,834,067	3	1.05%			
CMK 9000 Waukegan LLC	9,274,194	4	0.99%			
Fluid Handling LLC	8,805,101	5	0.94%			
Public Storage	8,304,885	6	0.88%			
John Crane Inc	8,099,189	7	0.86%	12,386,979	7	1.30%
Morton Grove Flex Owner	8,091,900	8	0.86%			
IM Kensington MG LLC	7,933,074	9	0.84%			
CRE North Grove CPIII	7,666,986	10	0.81%			
Tower Real Estate				20,643,366	1	2.17%
Menards				14,297,274	3	1.50%
Bell & Gossett				13,629,567	4	1.43%
Avon Products Inc.				12,451,462	6	1.31%
Betheny Terrace Nursing Home				11,518,115	8	1.21%
Capital Property Management				6,136,285	9	0.64%
Richard Edler				5,551,452	10	0.58%
	<u>94,869,068</u>		<u>10.08%</u>	<u>130,442,963</u>		<u>13.69%</u>

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

Data Source: Office of the County Clerk

VILLAGE OF MORTON GROVE, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years December 31, 2020 (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
2011	2010	\$	9,986,977	\$	9,544,078	95.57%	\$ -	\$ 9,544,078 95.57%
2012	2011		9,986,977		9,756,941	97.70%	-	9,756,941 97.70%
2013	2012		9,986,976		9,784,931	97.98%	-	9,784,931 97.98%
2014	2013		9,986,976		9,821,777	98.35%	-	9,821,777 98.35%
2015	2014		10,556,998		10,374,750	98.27%	-	10,374,750 98.27%
2016	2015		10,463,024		10,351,433	98.93%	-	10,351,433 98.93%
2017	2016		10,463,012		10,296,872	98.41%	-	10,296,872 98.41%
2018	2017		10,866,072		10,576,641	97.34%	-	10,576,641 97.34%
2019	2018		10,787,170		10,798,888	100.11%	-	10,798,888 100.11%
2020	2019		11,083,920		10,804,349	97.48%	-	10,804,349 97.48%

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, 2020 (Unaudited)

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Revolving Loans Payable	Installment Notes Payable	Intergovernmental Agreements Payable
2011	\$ 21,072,950	\$ 325,372	\$ 1,507,919	\$ 3,753,704
2012	18,958,300	-	1,297,954	3,457,411
2013	16,549,300	-	2,139,121	3,134,950
2014	15,487,800	-	1,768,626	2,785,393
2015	19,563,778	-	1,385,826	2,407,781
2016	17,620,627	-	990,325	2,001,120
2017	14,345,795	-	581,383	1,564,381
2018	13,363,163	-	317,994	1,096,497
2019	11,220,577	-	160,571	902,350
2020	8,956,480	-	-	699,104

(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.

Tax Increment Financing Revenue Bonds Payable	Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds			
\$ -	\$ 5,347,050	\$ 32,006,995	5.10%	\$ 1,375.46
-	4,766,700	28,480,365	4.54%	1,223.91
-	4,175,700	25,999,071	4.14%	1,117.28
-	3,577,200	23,619,019	3.10%	1,015.00
-	3,389,475	26,746,860	3.32%	1,149.41
-	3,202,841	23,814,913	3.10%	1,013.53
-	3,014,007	19,505,566	2.48%	833.11
-	2,822,973	17,600,627	2.27%	760.55
18,817,804	2,670,994	33,772,296	3.96%	1,481.50
18,808,664	2,474,514	30,938,762	3.54%	1,357.20

VILLAGE OF MORTON GROVE, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years December 31, 2020 (Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities		Percentage of Total Taxable Assessed Value of Property (1)			Per Capita (2)			
	General Obligation Bonds	General Obligation Bonds	Less: Amounts Available for Debt Service		Total						
2011	\$	21,072,950	\$	5,347,050	\$	-	\$	26,420,000	2.77%	\$	1,135.37
2012		18,958,300		4,766,700		-		23,725,000	2.70%		1,019.55
2013		16,549,300		4,175,700		-		20,725,000	2.56%		890.63
2014		15,487,800		3,577,200		46,839		19,018,161	2.76%		817.28
2015		19,563,778		3,389,475		337,367		22,615,886	3.22%		971.89
2016		17,620,627		3,202,841		52,218		20,771,250	2.99%		884.00
2017		14,345,795		3,014,007		86,454		17,273,348	2.12%		737.77
2018		13,363,163		2,822,973		263,754		15,922,382	1.95%		688.03
2019		11,220,577		2,670,994		-		13,891,571	1.74%		609.39
2020		8,956,480		2,474,514		-		11,430,994	1.22%		501.45

(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, 2020 (Unaudited)

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)(2)	Village's Share of Debt
Village of Morton Grove	\$ 28,464,248	100.000%	\$ 28,464,248
Schools			
School District #63	46,715,000	15.33%	7,161,877
School District #67	7,266,598	72.09%	5,238,490
School District #69	38,100,000	16.81%	6,404,610
School District #70	2,630,000	98.74%	2,596,862
High School District #207	122,655,000	3.54%	4,341,987
High School District #219	112,490,000	16.28%	18,313,372
Community College District #535	47,200,000	3.69%	1,741,680
Total Schools	377,056,598		45,798,878
Others			
Cook County	2,663,661,751	0.56%	14,916,506
Cook County Forest Preserve	125,285,000	0.56%	701,596
Metropolitan Metro Water Reclamation District of Greater Chicago	2,694,934,289	0.57%	15,361,125
Morton Grove Niles Water Commission	25,000,000	40.34%	10,085,000
Glenview Park District	33,755,000	0.31%	104,641
Skokie Park District	25,214,979	0.52%	131,118
Total Others	5,567,851,019		41,299,986
Total Overlapping Debt	402,271,577		87,098,864
Total Direct and Overlapping Debt	430,735,825		115,563,112

(1) Overlapping debt percentages based on 2019 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, 2020 (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, 2020 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2011	23,270	\$ 627,661,710	\$ 26,973	8.90%
2012	23,270	627,661,710	26,973	8.90%
2013	23,270	627,661,710	26,973	8.90%
2014	23,270	762,278,660	32,758	8.70%
2015	23,270	805,886,640	34,632	5.80%
2016	23,497	769,282,930	33,059	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	N/A

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

N/A - not available

VILLAGE OF MORTON GROVE, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago December 31, 2020 (Unaudited)

Employer	2020			2011		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
John Crane Inc	553	1	2.43%	1,350	1	6.01%
Xylem	475	2	2.08%			
Amazon	363	3	1.59%			
Schwartz Paper Co	244	4	1.07%	445	4	1.98%
Lakeshore Recycling	225	5	0.99%			
Bella Terra	205	6	0.90%			
Shore Koenig Training Center	200	7	0.88%	210	7	0.94%
Quantum Color Graphics	190	8	0.83%	135	10	0.60%
MG Pharmaceutical	176	9	0.77%	250	6	1.11%
Prescense Health	165	10	0.72%			
Avon Products Inc				1,100	2	4.90%
ITT Bell & Gossett				750	3	3.34%
Sunstone				412	5	1.84%
Malko Electric				180	8	0.80%
Paul J Krez Electric				180	9	0.80%
	<u>2,796</u>		<u>12.27%</u>	<u>5,012</u>		<u>22.32%</u>

Data Source: Village business licenses, 2019 Illinois Manufacturers Directory and 2019 Illinois Services Directory

VILLAGE OF MORTON GROVE, ILLINOIS

Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years December 31, 2020 (Unaudited)

Function/Program	2011	2012	2013
General Government			
Administrative	3.0	4.0	4.0
Community Development	1.0	1.0	1.0
Legal	0.5	0.5	0.5
Management Information	1.0	1.0	1.0
Finance	5.5	5.0	6.0
Health and Human Services	-	-	-
Family Services	4.5	4.5	3.5
Building/Code Enforcement	4.0	2.5	4.0
Public Safety			
Police			
Officers	46.0	45.0	45.0
Civilians	18.5	18.5	21.0
Fire			
Firefighters and Officers	41.0	40.0	42.0
Civilians	2.5	1.5	3.5
Public Works			
Street Maintenance	17.5	17.5	17.5
Engineering	3.0	3.0	3.0
Vehicle Maintenance	4.0	4.0	4.0
Water and Sewer	12.0	12.0	12.0
Totals	164.0	160.0	168.0

Data Source: Village Budget Office

2014	2015	2016	2017	2018	2019	2020
4.5	4.0	4.0	5.0	4.0	4.0	4.0
2.5	2.0	2.0	2.0	2.0	2.0	2.0
0.5	0.5	0.5	0.5	0.5	0.5	0.5
1.0	1.0	1.0	1.5	1.5	1.5	1.5
6.0	6.0	6.0	6.0	6.0	6.0	6.0
0.5	0.5	-	-	-	-	-
2.5	2.5	2.5	2.5	2.5	2.5	2.5
5.0	4.0	4.0	4.0	3.5	3.0	3.0
46.0	46.0	47.0	47.0	47.0	46.0	46.0
17.0	15.0	15.0	15.0	15.0	15.0	15.0
41.0	39.0	42.0	42.0	42.0	42.0	42.0
3.0	2.5	2.5	2.5	2.5	3.5	4.0
20.0	20.0	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
12.0	13.5	12.5	12.5	12.5	13.5	13.5
168.5	163.5	165.0	166.5	165.0	165.5	166.0

VILLAGE OF MORTON GROVE, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years December 31, 2020 (Unaudited)

Function/Program	2011	2012	2013
Public Safety			
Police			
Physical Arrests	574	580	513
Parking Violations	8,933	6,751	6,465
Traffic Violations	4,440	3,686	3,849
Fire			
Emergency Responses	3,419	3,360	3,470
Fires Extinguished	60	48	63
Public Works			
Street Resurfacing (Miles)	4.90	6.65	5.70
Potholes Repaired	170.75	12.50	132.00
Water			
New Connections	8	9	7
Water Mains Breaks	64	70	122
Average Daily Consumption	2,670,613	2,745,553	2,601,227
Peak Daily Consumption	4,498,000	4,412,000	4,238,000

Data Source: Various Village Departments

2014	2015	2016	2017	2018	2019	2020
551	438	430	377	421	503	235
4,530	3,814	3,736	2,861	4,241	3,677	1,366
3,072	3,292	2,234	2,546	3,688	2,723	1,052
3,631	3,694	3,771	3,927	3,992	3,961	3,530
69	39	34	35	61	106	96
1.50	3.90	3.50	0.80	1.90	1.65	0.13
160.00	104.00	109.00	102.00	122.00	87.00	86.00
9	-	-	-	-	-	-
80	72	63	69	82	86	79
2,869,367	2,698,000	2,681,000	2,547,000	2,787,000	2,777,000	2,816,000
3,628,000	5,086,000	3,650,000	3,381,000	3,898,000	4,123,000	5,573,000

VILLAGE OF MORTON GROVE, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2020 (Unaudited)

Function/Program	2011	2012	2013
Public Safety			
Police			
Stations	1	1	1
Area Patrols	3	3	3
Patrol Units	15	15	15
Fire			
Fire Stations	2	2	2
Fire Engines	2	2	2
Public Works			
Arterial Streets (Miles)	19	19	19
Residential Street (Miles)	86	86	86
Streetlights	372	372	372
Traffic Signals	13	13	13
Water			
Water Mains (Miles)	98.9	98.9	98.9
Fire Hydrants	1,093	1,093	1,093
Storage Capacity (Gallons)	8,550,000	8,550,000	8,550,000
Wastewater			
Sanitary Sewers (3 Miles)	47.9	47.9	47.9
Storm Sewers (3 Miles)	70.6	70.6	70.6
Combined Sewers (Miles)	23.6	23.6	23.6

Data Source: Various Village Departments

2014	2015	2016	2017	2018	2019	2020
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
372	372	357	357	357	357	357
13	13	13	13	13	13	13
98.9	98.9	99.0	99.0	99.0	99.0	99.0
1,093	1,093	1,093	1,093	1,093	1,093	1,093
8,550,000	8,550,000	8,550,000	8,550,000	8,550,000	8,550,000	8,550,000
47.9	47.9	47.9	47.9	40.6	40.6	40.6
70.6	70.6	70.6	70.6	44.8	44.8	44.8
23.6	23.6	23.6	23.6	21.3	21.1	21.1