

**CITY OF MORRIS, ILLINOIS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDING**  
**APRIL 30, 2022**



**CITY OF MORRIS, ILLINOIS**

**Table of Contents  
For the Year Ended April 30, 2022**

---

	PAGE
<b>INDEPENDENT AUDITORS' REPORT</b> .....	1-3
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)</b> .....	4-12
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position (Statement A) .....	13
Statement of Activities (Statement B) .....	14
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds (Statement C).....	15-16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (Statement D) .....	17-18
Statement of Net Position – Proprietary Funds (Statement E) .....	19
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds (Statement F) .....	20
Statement of Cash Flows – Proprietary Funds (Statement G).....	21
Statement of Fiduciary Net Position (Statement H) .....	22
Statement of Changes in Fiduciary Net Position (Statement I) .....	23
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b> .....	24-67
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
<b>Schedules of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Major Governmental Funds:</b>	
General Fund (Schedule A-1) .....	68-69
Tax Increment Financing Fund I (Schedule A-2) .....	70-71
Marina Tax Increment Financing Fund (Schedule A-3) .....	72
<b>Illinois Municipal Retirement Fund:</b>	
Multiyear Schedule of Changes in the City's Net Pension Liability and Related Ratios (Schedule B-1) .....	73
Multiyear Schedule of City Contributions (Schedule B-2) .....	74

**CITY OF MORRIS, ILLINOIS**

**Table of Contents  
For the Year Ended April 30, 2022**

---

	PAGE
<b>REQUIRED SUPPLEMENTARY INFORMATION – (Continued):</b>	
<b>Police Pension Fund:</b>	
Multiyear Schedule of Changes in the City’s Net Pension Liability and Related Ratios (Schedule B-3) .....	75
Multiyear Schedule of City Contributions (Schedule B-4) .....	76
<b>Other Postemployment Benefit Plan:</b>	
Multiyear Schedule of Changes in the City’s Net OPEB Liability and Related Ratios (Schedule B-5) .....	77
Multiyear Schedule of City Contributions (Schedule B-6) .....	78
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b> .....	79
<b>OTHER SUPPLEMENTARY INFORMATION:</b>	
<b>Non-major Governmental Funds:</b>	
Combining Balance Sheet (Schedule C-1) .....	80-81
Combining Schedule of Revenues, Expenditures And Changes in Fund Balances (Schedule C-2) .....	82-83
<b>Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:</b>	
Illinois Municipal Retirement Fund (Schedule C-3) .....	84
Motor Fuel Tax Fund (Schedule C-4) .....	85
Sanitary Landfill Contingency Fund (Schedule C-5) .....	86
West Route 6 Special Assessment Fund (Schedule C-6) .....	87
Park and Civic Improvements Fund (Schedule C-7) .....	88
Solid Waste Tax Fund (Schedule C-8) .....	89
Motel Tax Fund (Schedule C-9) .....	90
Drug Fine and Forfeiture Fund (Schedule C-10) .....	91
American Rescue Plan Act Fund .....	92
Police Seizure and Forfeiture Fund (Schedule C-11) .....	93

CITY OF MORRIS, ILLINOIS

Table of Contents  
For the Year Ended April 30, 2022

---

	PAGE
<b>OTHER SUPPLEMENTARY INFORMATION – (Continued):</b>	
<b>Proprietary Funds:</b>	
<b>Water and Sewer Enterprise Funds:</b>	
Combining Statement of Net Position (Schedule D-1).....	94
Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Schedule D-2).....	95
<b>Schedules of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual – Individual Water and Sewer Accounts:</b>	
Operations and Maintenance Account (Schedule D-3).....	96
Capital Improvement Account (Schedule D-4).....	97
Alternate Revenue Bond & Interest Account (Schedule D-5) .....	98
<b>Airport Enterprise Funds:</b>	
Combining Statement of Net Position (Schedule E-1) .....	99
Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Schedule E-2) .....	100
<b>Schedules of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual – Individual Airport Accounts:</b>	
Airport Operations Account (Schedule E-3).....	101-102
Airport Development Account (Schedule E-4) .....	103
<b>Garbage Fund:</b>	
Schedule of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual (Schedule F).....	104
<b>Fiduciary Funds:</b>	
Statement of Changes in Fiduciary Net Position – Police Pension Trust Fund (Schedule G).....	105
<b>Custodial Fund:</b>	
Combining Statement of Net Position (Schedule H-1).....	106
Combining Statement of Changes in Assets and Liabilities (Schedule H-2).....	107

**CITY OF MORRIS, ILLINOIS**

**Table of Contents  
For the Year Ended April 30, 2022**

---

	PAGE
<b>OTHER SUPPLEMENTARY INFORMATION – (Continued):</b>	
<b>Detail Budgetary Expenditure/Expense Schedules:</b>	
General Fund (Schedule I-1) .....	108-113
Water & Sewer Fund – Operations & Maintenance Account (Schedule I-2).....	114-117
<b>SUPPLEMENTAL SECTION (UNAUDITED):</b>	
Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections (Schedule J).....	118
<b>OTHER REQUIRED REPORTING</b>	
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	119-120
Independent Auditors’ Report on Compliance with the Illinois Tax Increment Allocation Redevelopment Act .....	121-122
Schedule of Findings and Responses.....	123-124

***INDEPENDENT AUDITORS' REPORT***



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CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

To the Honorable Mayor and  
Members of the City Council  
City of Morris, Illinois

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Morris, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Morris, Illinois, as of April 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibility of Management 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.

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

#### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the pension data schedules and OPEB and related notes 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 Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Morris, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures other in accordance with auditing standards generally accepted in the United



States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Supplemental Information**

Management is responsible for the supplemental information included in the annual report. The supplemental information is comprised of the pension data schedules, and the schedules of assessed valuations, tax rates, tax extensions and tax collections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the supplemental information, and we do not express an opinion or any form of assurance thereon.

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

### **Report on Summarized Comparative Information**

We previously audited City of Morris, Illinois' April 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2021. The summarized comparative information presented herein as of and for the year ended April 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2022 on our consideration of the City of Morris, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Morris, Illinois' internal control over financial reporting and compliance.

*Mack & Associates, P. C.*

Mack & Associates, P. C.  
Certified Public Accountants

Morris, Illinois  
November 7, 2022

***MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)***

## **CITY OF MORRIS, ILLINOIS**

### **Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2022**

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This narrative overview and analysis of the financial activities of the City of Morris, Illinois (the "City"), is intended to provide an overview of the City's financial performance as a whole for the fiscal year ended April 30, 2022. Readers are encouraged to consider the information presented here in conjunction with the additional information found in the financial statements and notes to financial statements to enhance their understanding of the City's overall financial performance.

#### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$71,676,801 (net position). The City has an unrestricted fund deficit of (\$1,403,620) at April 30, 2022.
- The City's total net position increased by \$5,696,756 (9.1%) for the fiscal year ended April 30, 2022. Of this amount, the governmental net position increased by \$2,047,898 (7.71%) and the business-type net position increased by \$3,648,858 (9.25%). The governmental-type net position increased primarily due to increased grant funding received in the current year. The business-type net position also increased primarily due to infrastructure fees and capital contributed.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$18,287,305, an increase of \$1,164,663 (6.82%) in comparison with the prior fiscal year. Approximately 40% of the total fund balance, \$7,302,857, was unassigned and available for spending at the City's discretion.
- The City's total long-term debt decreased by \$499,789 during the current fiscal year due to scheduled payments on bond issues and capital leases.

#### **Using This Annual Report**

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial statements.

Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the City of Morris, Illinois as a whole and present an overview of the City's finances.

The Fund Financial Statements tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report the City of Morris, Illinois' operations in more detail than the government-wide financial statements by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the City's General Fund budget for the year, the City's schedule of changes in the net pension liability and related ratios, schedule of city contributions, schedules of investment returns and schedule of funding progress for the retiree health plan.

## CITY OF MORRIS, ILLINOIS

### Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2022

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#### Using This Annual Report – (Continued):

Other Information provides detailed information about the non-major special revenue funds, private purpose and pension trust funds and assessed property tax valuations, rates, extensions and collections.

#### Reporting the City's Financial Activities

##### Government-wide Financial Statements

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

The Statement of Net Position presents financial information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as 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 not result in cash flows until future fiscal years.

The Statement of Net Position and the Statement of Activities report two types of activities:

Governmental activities include public safety, transportation and public service, culture and recreation, general government, and environment. Taxes and intergovernmental revenues finance most of these activities.

Business type activities include the Water and Sewer Operation, the Garbage Disposal, and the Airport Operation. These activities are financed primarily by user charges, which are intended to cover costs of services.

##### 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 City uses fund accounting to ensure and demonstrate compliance with various finance-related legal and accounting requirements. All of the funds of the City can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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 governmental 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## CITY OF MORRIS, ILLINOIS

### Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2022

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#### **Reporting the City's Financial Activities – (Continued):**

The City maintains eleven 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, Tax Increment Financing Fund I, and Marina Tax Increment Financing Fund, which are considered to be major funds. Financial information for the other nine governmental funds is combined into a single, aggregated presentation called non-major governmental funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining and individual statements elsewhere in this report.

Proprietary funds – Proprietary funds are used to account for services and activities for which a fee is charged to customers in exchange for City provided goods or services. Proprietary funds use the “economic resources” measurement focus, which concentrates on how transactions and events have affected the fund’s total economic resources. The City maintains one of the three different types of proprietary funds as described below.

Enterprise funds are used to report business-type activities in the government-wide financial statements. The City presents three enterprise funds: Garbage, Water and Sewer, and Airport Funds and all are considered to be major funds.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The accounting used for these funds is much like that used for proprietary funds.

The City maintains pension trust fund. The Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position are included in the basic financial statement section of this report, while the Statement of Changes in Assets and Liabilities for custodial funds is included in the combining and individual fund section of this report.

**CITY OF MORRIS, ILLINOIS**

**Management’s Discussion and Analysis - Unaudited  
For the Year Ended April 30, 2022**

**Government-wide Financial Analysis:**

As noted earlier, net position may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net position for governmental and business type activities.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<u>Assets</u>						
Current and other assets	\$ 30,080,987	26,293,461	8,380,055	8,851,068	38,461,042	35,144,529
Capital assets	27,308,269	28,630,720	37,610,870	33,799,223	64,919,139	62,429,943
Total assets	57,389,256	54,924,181	45,990,925	42,650,291	103,380,181	97,574,472
Deferred Outflows	2,553,730	1,951,293	333,042	377,357	2,886,772	2,328,650
<u>Liabilities</u>						
Current liabilities	1,285,279	959,978	984,623	820,293	2,269,902	1,780,271
Long-term liabilities	16,593,261	16,728,110	2,245,562	2,762,431	18,838,823	19,490,541
Total liabilities	17,878,540	17,688,088	3,230,185	3,582,724	21,108,725	21,270,812
Deferred inflows	13,481,427	12,652,265	-	-	13,481,427	12,652,265
<u>Net Position</u>						
Net investment in capital assets	27,308,269	28,630,720	33,641,991	29,330,755	60,950,260	57,961,475
Restricted	10,984,448	11,076,837	1,145,713	1,270,552	12,130,161	12,347,389
Unrestricted	(9,709,698)	(13,172,436)	8,306,078	8,843,617	(1,403,620)	(4,328,819)
Total net position	\$ 28,583,019	26,535,121	43,093,782	39,444,924	71,676,801	65,980,045

Net investment in capital assets – the largest portion (88.63%) of the City’s net position is invested in capital assets (land, infrastructure, buildings, and equipment) less any related outstanding debt. These assets are used to provide services to City residents; consequently, they are not available for future spending. While the City’s investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position – another portion of net position (16.92%) is restricted and represents resources that are subject to external restrictions by enabling legislation, debt covenants, or other legal requirements on how they may be used.

Unrestricted net position – the remaining deficit of \$1,403,620 is unrestricted.

Much of the \$5,696,756 increase in net position is attributable to increases in capital assets and American Recovery Plan Act Grant that has not yet been expended.

Due to the implementation of GASB 68 and 75 and the recording of net pension and OPEB liabilities, the City’s unrestricted net position on April 30, 2022 was a deficit of \$1,403,620. As the net pension and OPEB liabilities will likely remain a long-term liability for several decades, unrestricted net position is expected to remain at low levels for quite some time.

**CITY OF MORRIS, ILLINOIS**

**Management's Discussion and Analysis - Unaudited  
For the Year Ended April 30, 2022**

**Government-wide Financial Analysis – (Continued):**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 531,364	420,091	8,826,822	7,511,108	9,358,186	7,931,199
Operating grants and contributions	2,200,315	1,348,497	-	-	2,200,315	1,348,497
Capital grants	38,994	17,241	2,052,870	4,358,721	2,091,864	4,375,962
General revenues:						
Property taxes	7,606,445	7,596,676	-	-	7,606,445	7,596,676
Sales and use taxes	8,898,514	7,177,819	-	-	8,898,514	7,177,819
Other taxes	447,046	246,205	-	-	447,046	246,205
Intergovernmental revenue	3,497,554	3,136,236	-	-	3,497,554	3,136,236
Franchise fees	234,739	222,372	-	-	234,739	222,372
Interest income	11,765	29,228	6,018	9,915	17,783	39,143
Other	217,925	144,812	-	-	217,925	144,812
Total revenues	<u>23,684,661</u>	<u>20,339,177</u>	<u>10,885,710</u>	<u>11,879,744</u>	<u>34,570,371</u>	<u>32,218,921</u>
Program expenses:						
General government	5,041,728	4,580,322	-	-	5,041,728	4,580,322
Employee retirement costs	1,797,619	1,106,768	-	-	1,797,619	1,106,768
Public safety	3,709,174	4,915,953	-	-	3,709,174	4,915,953
Transportation and public service	6,725,613	5,664,216	-	-	6,725,613	5,664,216
Culture & recreation	809,792	704,307	-	-	809,792	704,307
Environment	295,618	278,316	-	-	295,618	278,316
Community development	3,157,209	2,759,804	-	-	3,157,209	2,759,804
Water and sewer	-	-	5,037,375	6,662,850	5,037,375	6,662,850
Airport Operation	-	-	1,028,870	522,665	1,028,870	522,665
Garbage collection and disposal	-	-	1,270,607	1,230,135	1,270,607	1,230,135
Total expenses	<u>21,536,753</u>	<u>20,009,686</u>	<u>7,336,852</u>	<u>8,415,650</u>	<u>28,873,605</u>	<u>28,425,336</u>
Change in net position	2,147,908	329,491	3,548,858	3,464,094	5,696,766	3,793,585
Transfers	(100,000)	-	100,000	-	-	-
Adjustment to include agency funds	-	331	-	-	-	331
Net position, beginning of year	26,535,121	26,205,299	39,444,924	35,980,830	65,980,045	62,186,129
Net position, end of year	<u>\$ 28,583,029</u>	<u>26,535,121</u>	<u>43,093,782</u>	<u>39,444,924</u>	<u>71,676,811</u>	<u>65,980,045</u>

The City of Morris, Illinois' change in net position of governmental activities was an increase of \$5,696,756 during the year.

Revenues for governmental activities was increased compared to the prior year by \$3,345,484.

Expenses for governmental activities increased by \$1,527,077 over the prior fiscal year. The change is primarily attributable to increased pension and OPEB expense, as well as additional capital outlay.

Business-type activities increased the City's net position by \$3,648,858.

## CITY OF MORRIS, ILLINOIS

### Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2022

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#### **Government-wide Financial Analysis – (Continued):**

The City provides garbage collection and disposal, airport facilities, and water and sewer treatment to all residents. The City's total business-type revenues decreased by \$994,034 over the prior year. Most of the decrease is due to a decrease in grants received.

Expenses increased by \$1,078,798 from the prior fiscal year. There has been a general increase in expenses in the water and sewer fund, while airport and garbage-related expenses have remained relatively consistent. Most of the increase is due to increased capital expenditures.

#### **Individual Major Fund Analysis**

##### **Governmental Fund Highlights**

As the City of Morris, Illinois completed the year, its governmental funds reported a combined fund balance of \$18,287,305, which is \$1,164,663 more than the \$17,122,642 total fund balance at April 30, 2021. \$7,302,857, or 40%, of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance of \$10,984,448 is restricted, to indicate that it is available for spending with limitations imposed by enabling legislation, creditors, grantors, or regulations of other governments.

**General Fund** – The General Fund represents the primary operating fund of the City. It accounts for all financial resources, except those to be accounted for in another fund. The General Fund revenues increased by \$2,743,111 largely due to increased tax revenues and intergovernmental revenues.

On the expenditure side, the increase over the prior fiscal year was \$1,563,932. A large portion of the increase can be attributed to general government expenditures.

**Tax Increment Financing Fund I** – The Tax Increment Financing Fund I represents a specific taxing district funded by local property taxes. Current year revenues show a decrease of \$584,809. Revenues decreased due to lower note receivable proceeds in the current year.

Expenditures increased \$1,468,290 from the prior fiscal year due to capital outlay.

**Marina Tax Increment Financing Fund** – The Marina Tax Increment Financing Fund represents a specific taxing district located in a proposed marina area funded by local property taxes. Due to a lack of current development, the funding is almost exclusively received from the TIF I Fund, as the Marina District is located entirely within that District. The current year transfer amounted to \$300,000.

Expenditures increased by \$394,260 from the prior fiscal year. The increase is primarily due to CLC closure expenditures.



## CITY OF MORRIS, ILLINOIS

### Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2022

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#### **Individual Major Fund Analysis – (Continued):**

##### **Proprietary Fund Highlights**

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position was \$294,230 for the Garbage Fund, \$7,839,460 for the Water and Sewer Fund, and \$172,388 for the Airport Fund. At the end of the fiscal year, the City's proprietary funds reported an increase in net position of \$3,648,858 over the prior year. Of the increase, \$3,925,995 came from the Water and Sewer Fund, while the Garbage Fund decreased by \$303,819 and the Airport Fund increased by \$26,682. A discussion of all proprietary funds follows:

***Water and Sewer Fund*** – The Water and Sewer Fund revenues increased by \$1,199,897 due to an increase in infrastructure fees and contributed capital. Operating expenses increased by \$442,047, mostly due to capital outlay / maintenance expenditures.

***Airport Fund*** – The Airport Fund revenues increased by \$67,752. Most of this increase is related to an increase in fuel sales. Expenses increased \$507,046 from the prior year, mostly due to capital outlay and maintenance expenditures.

***Garbage Fund*** – Garbage fee income of \$1,295,910 exceeded garbage disposal costs of \$1,270,607 by \$26,494. Customer fees have continued to successfully match or exceed costs. The City continues to monitor and increase fees as required to keep up with the usual contractual increases.

##### **General Fund Budgetary Highlights**

The original 2022 fiscal year budget was adopted on April 19, 2021. The comparison of General Fund original budget to the final budget is on pages 70-71 and 110-115. Over the course of the year, the Budget Officer and City Council monitor and amend the budget to take into account unanticipated events that occur during the year. No budget amendments were made to the General Fund during the current fiscal year.

General Fund revenues were \$1,110,517 above budget estimates.

General Fund expenditures were \$1,630,192 under budget estimates mainly due to including anticipated expenditures that did not materialize in the areas of engineering fees, sales tax reimbursements, contingencies, capital outlay, and health insurance-related expenses. Several budget line item transfers were made by the Budget Officer during the year within individual departments. Most were not significant in amount.

**CITY OF MORRIS, ILLINOIS**

**Management’s Discussion and Analysis - Unaudited  
For the Year Ended April 30, 2022**

**Capital Assets and Debt Administration**

**Capital Assets**

The City’s capital assets include land, land improvements, buildings, machinery and equipment, infrastructure and construction in progress. Capital assets for governmental activities totaled \$27,308,269 (net of accumulated depreciation/amortization) at April 30, 2022. Capital assets for business type activities totaled \$37,610,870 (net of accumulated depreciation) at April 30, 2022. See Note 5 to the financial statements for more information about the City’s capital assets.

***Capital Assets at Year-end  
Net of Accumulated Depreciation***

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 6,528,556	6,496,556	5,546,795	5,546,795	12,075,351	12,043,351
Construction in Progress	-	-	2,296,400	1,423,578	2,296,400	1,423,578
Land Improvements	1,601,150	1,695,761	7,293	10,210	1,608,443	1,705,971
Buildings & Improvements	8,089,886	7,980,899	1,463,909	1,513,896	9,553,795	9,494,795
Machinery & Equipment	1,347,365	1,298,560	532,344	555,854	1,879,709	1,854,414
Vehicles	876,779	938,770	142,831	173,156	1,019,610	1,111,926
Infrastructure	8,864,533	10,220,174	27,621,297	24,575,734	36,485,830	34,795,908
<b>Total</b>	<b>\$ 27,308,269</b>	<b>28,630,720</b>	<b>37,610,870</b>	<b>33,799,223</b>	<b>64,919,139</b>	<b>62,429,943</b>

Net capital assets increased by \$2,489,196 for the 2022 fiscal year. The City expended available resources to acquire \$5,762,516 in capital asset additions during the year. These additions were reduced by the current year’s depreciation expense of \$3,273,320. (Additional information on the City’s capital assets is presented in Note 5 to the basic financial statements).

**CITY OF MORRIS, ILLINOIS**

**Management’s Discussion and Analysis - Unaudited  
For the Year Ended April 30, 2022**

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**Capital Assets and Debt Administration – (Continued)**

Long-term Debt

**Long-term Debt** – At April 30, 2022, the City had total net debt outstanding of \$2,598,494, including the present value of future minimum capital lease payments on airport hangars for \$44,322, and the remaining balance due on the 2012 alternate revenue bond issue of \$2,554,172.

***Outstanding Debt at Year-end  
Bonds and Capital Leases Payable***

	<u>Business-type activities</u>	
	<u>2022</u>	<u>2021</u>
Refunding Bonds Alternate Revenue Source (incl. premium)	\$ 2,554,172	3,035,525
Capital Leases	44,322	62,558
Total	<u>\$ 2,598,494</u>	<u>3,098,083</u>

Total outstanding debt decreased by \$499,789 during the fiscal year. The decrease was a result of the normal schedule of payments on existing debt. Additional information on the City’s long-term debt is presented in Note 6 to the basic financial statements.

**Economic Factors and Next Year’s Budget and Rates**

Following are currently known City of Morris, Illinois economic factors considered in going into the 2022-2023 fiscal year.

- The City’s assessed value increased by 8.51% during the current fiscal year after decreasing by -0.03% in the prior year. According to the Supervisor of Assessments, growth will likely continue in the next couple of years. This growth should be reflected as increased assessed valuations in the coming years. The City’s share of state sales tax, which represents the largest portion of General Fund revenue, has begun to experience increases in recent years and that trend is expected to continue.
- The City was awarded a grant for the construction of an additional East/West runway in the amount of \$11,783,349 through the Department of Transportation in December 2021. The estimated total project cost is \$14,972,187.

**Contacting the City’s Financial Management**

This financial report is designed to provide a general overview of the City’s finances. If you have questions about this report or need additional financial information, contact Lori Werden, Budget Officer and City Clerk, 700 N. Division St., Morris, IL 60450, or by calling 815-942-4026 during regular office hours, Monday through Friday, from 8:00 a.m. to 4:30 p.m. central standard time.

***BASIC FINANCIAL STATEMENTS***

## Statement of Net Position

April 30, 2022

(With Comparative Figures for April 30, 2021)

	Governmental Activities	Business-type Activities	Totals	
			2022	2021
<u>ASSETS</u>				
Cash and cash equivalents	\$ 15,975,443	9,610,735	25,586,178	24,885,738
Receivables:				
Property taxes	8,016,766	-	8,016,766	7,591,875
Sales and use taxes	1,372,903	-	1,372,903	1,294,445
Income and replacement taxes	532,585	-	532,585	270,066
Other taxes and fees	321,268	-	321,268	289,338
Customer fees (net of allowances)	-	106,552	106,552	156,683
Inventory	-	33,153	33,153	37,418
Internal balances	1,370,385	(1,370,385)	-	-
Notes receivable	-	-	-	1,047
Net pension asset	2,491,637	-	2,491,637	617,919
Capital assets, net of accumulated depreciation	27,308,269	37,610,870	64,919,139	62,429,943
Total assets	57,389,256	45,990,925	103,380,181	97,574,472
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charge on refunding	-	194,909	194,909	237,357
Pension-related deferred outflows	2,553,730	-	2,553,730	1,951,293
Asset retirement obligation	-	138,133	138,133	140,000
Total deferred outflows	2,553,730	333,042	2,886,772	2,328,650
<u>LIABILITIES</u>				
Accounts payable and accrued expenses	929,642	398,103	1,327,745	800,792
Noncurrent liabilities:				
Due within one year	355,637	586,520	942,157	979,479
Due in more than one year	6,415,164	2,245,562	8,660,726	9,184,308
Net OPEB liability	1,808,096	-	1,808,096	2,126,359
Net pension liability	8,369,991	-	8,369,991	8,179,874
Total liabilities	17,878,530	3,230,185	21,108,715	21,270,812
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Succeeding year property tax	8,016,766	-	8,016,766	7,591,875
Pension-related deferred inflows	5,464,661	-	5,464,661	5,060,390
Total deferred inflows	13,481,427	-	13,481,427	12,652,265
<u>NET POSITION</u>				
Net investment in capital assets	27,308,269	33,641,991	60,950,260	57,961,475
Restricted	10,984,448	1,145,713	12,130,161	12,347,389
Unrestricted	(9,709,688)	8,306,078	(1,403,610)	(4,328,819)
Total net position	\$ 28,583,029	43,093,782	71,676,811	65,980,045

The Notes to Basic Financial Statements are an integral part of this statement.

## Statement of Activities

Year Ended April 30, 2022

(With Comparative Figures for the Year Ended April 30, 2021)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
							2022	2021
Governmental activities:								
General government	\$ 5,041,728	211,586	54,931	34,602	(4,740,609)	-	(4,740,609)	(4,285,041)
Employee retirement costs	1,797,619	-	-	-	(1,797,619)	-	(1,797,619)	(1,106,768)
Public safety	3,709,174	180,709	89,837	-	(3,438,628)	-	(3,438,628)	(4,136,705)
Transportation and public works	6,725,613	852	1,323,796	-	(5,400,965)	-	(5,400,965)	(5,214,124)
Culture and recreation	809,792	89,832	74,851	4,392	(640,717)	-	(640,717)	(687,398)
Environment	295,618	-	-	-	(295,618)	-	(295,618)	(278,316)
Community development	3,157,209	48,385	656,900	-	(2,451,924)	-	(2,451,924)	(2,515,505)
Total governmental activities	21,536,753	531,364	2,200,315	38,994	(18,766,080)	-	(18,766,080)	(18,223,857)
Business-type activities:								
Water sewer	5,037,375	6,974,811	-	1,982,874	-	3,920,310	3,920,310	3,438,774
Airport operation	1,028,870	554,910	-	69,996	-	(403,964)	(403,964)	(3,278)
Garbage collection disposal	1,270,607	1,297,101	-	-	-	26,494	26,494	18,683
Total business-type activities	7,336,852	8,826,822	-	2,052,870	-	3,542,840	3,542,840	3,454,179
Total government	\$ 28,873,605	9,358,186	2,200,315	2,091,864	(18,766,080)	3,542,840	(15,223,240)	(14,769,678)
General revenues:								
Property taxes					7,606,445	-	7,606,445	7,596,676
Sales tax					8,898,514	-	8,898,514	7,177,819
Other taxes					447,046	-	447,046	246,205
Intergovernmental revenue					3,497,554	-	3,497,554	3,136,236
Franchise fees					234,739	-	234,739	222,372
Interest					11,765	6,018	17,783	39,143
Miscellaneous					217,925	-	217,925	144,812
Total general revenues					20,913,988	6,018	20,920,006	18,563,263
Transfers					(100,000)	100,000	-	-
Change in net position					2,047,908	3,648,858	5,696,766	3,793,585
Net position, beginning of year					26,535,121	39,444,924	65,980,045	62,186,129
Adjustment to include agency funds					-	-	-	331
Net position, end of year					\$ 28,583,029	43,093,782	71,676,811	65,980,045

The Notes to Basic Financial Statements are an integral part of this statement.

**Balance Sheet - Governmental Funds**  
**April 30, 2022**  
**(With Comparative Figures for April 30, 2021)**

	General Fund	TIF I Fund	Marina TIF Fund	Non-major Governmental Funds	Total Governmental Funds	
					2022	2021
<u>ASSETS</u>						
Cash and cash equivalents	\$ 4,958,470	3,947,182	1,706,362	5,363,429	15,975,443	14,858,386
Receivables:						
Property taxes	1,831,111	5,530,343	29,456	625,856	8,016,766	7,591,875
Sales and use taxes	1,372,903	-	-	-	1,372,903	1,294,445
Income and replacement taxes	532,585	-	-	-	532,585	270,066
Other taxes & fees	224,374	-	-	96,894	321,268	289,338
Due from other funds	1,370,385	-	-	-	1,370,385	1,370,385
Notes receivable	-	-	-	-	-	1,047
Total assets	<u>\$ 10,289,828</u>	<u>9,477,525</u>	<u>1,735,818</u>	<u>6,086,179</u>	<u>27,589,350</u>	<u>25,675,542</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 724,514	56,228	33,014	38,953	852,709	489,429
Accrued payroll	75,709	1,224	-	-	76,933	58,406
Accrued benefits	355,637	-	-	-	355,637	412,143
Total liabilities	<u>1,155,860</u>	<u>57,452</u>	<u>33,014</u>	<u>38,953</u>	<u>1,285,279</u>	<u>959,978</u>
Deferred inflows of resources:						
Succeeding year property tax	1,831,111	5,530,343	29,456	625,856	8,016,766	7,591,875
Unavailable revenues from loans	-	-	-	-	-	1,047
Total deferred inflows	<u>1,831,111</u>	<u>5,530,343</u>	<u>29,456</u>	<u>625,856</u>	<u>8,016,766</u>	<u>7,592,922</u>
Fund balances:						
Restricted	-	3,889,730	1,673,348	5,421,370	10,984,448	11,076,837
Unassigned	7,302,857	-	-	-	7,302,857	6,045,805
Total fund balances	<u>7,302,857</u>	<u>3,889,730</u>	<u>1,673,348</u>	<u>5,421,370</u>	<u>18,287,305</u>	<u>17,122,642</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,289,828</u>	<u>9,477,525</u>	<u>1,735,818</u>	<u>6,086,179</u>	<u>27,589,350</u>	<u>25,675,542</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**Balance Sheet - Governmental Funds**  
**April 30, 2022**  
**(With Comparative Figures for April 30, 2021)**

	2022	2021
<b>Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:</b>		
Total governmental fund balances	\$ 18,287,305	17,122,642
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in government activities are not current financial resources, and, therefore, are not report in the funds. The cost of capital assets is \$75,719,652 and the accumulated depreciation is \$48,411,383.	27,308,269	28,630,720
Unavailable revenues reported in governmental funds includes balance of notes receivable. The balance was deferred because funds were not available to pay current-period expenditures.	-	1,047
Pension-related and OPEB-related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources - pensions	2,553,730	1,951,293
Deferred inflows of resources - pensions	(5,464,661)	(5,060,390)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported as liabilities in the governmental funds.		
Landfill closure	(6,368,619)	(6,368,619)
Compensated absences	(46,545)	(53,258)
Net OPEB liability	(1,808,096)	(2,126,359)
Net pension liability / asset	(5,878,354)	(7,561,955)
Net position of governmental activities	<u>\$ 28,583,029</u>	<u>26,535,121</u>

The Notes to Basic Financial Statements are an integral part of this statement.



## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended April 30, 2022

(With Comparative Figures for the Year Ended April 30, 2021)

	General	Tax Increment	Marina	Non-major	Total Governmental Funds	
	Fund	Financing Fund I	Tax Increment Financing Fund	Governmental Funds	2022	2021
Revenues:						
Property taxes	\$ 1,743,657	5,250,460	23,109	589,219	7,606,445	7,596,676
Sales and use taxes	8,898,514	-	-	-	8,898,514	7,177,819
Other taxes	-	-	-	447,046	447,046	246,205
Intergovernmental revenue	2,932,481	-	-	565,073	3,497,554	3,136,236
Licenses and permits	201,455	-	-	-	201,455	208,869
Franchise fees	234,739	-	-	-	234,739	222,372
Charges for services	139,069	-	-	-	139,069	65,038
Grants	-	-	-	1,323,796	1,323,796	449,333
Donations	-	-	-	74,851	74,851	-
Fines	156,640	-	-	34,200	190,840	146,184
Interest	1,246	4,713	1,970	3,836	11,765	29,228
Other	1,007,472	8,421	37,694	5,000	1,058,587	1,061,217
Total revenues	15,315,273	5,263,594	62,773	3,043,021	23,684,661	20,339,177
Expenditures:						
Current:						
General government	4,401,816	199,820	430,091	22,917	5,054,644	3,453,673
Employee retirement costs	1,304,327	-	-	695,071	1,999,398	1,962,175
Public safety	4,852,050	-	-	15,841	4,867,891	4,767,443
Transportation and public service	2,289,822	-	-	170,101	2,459,923	2,282,614
Culture and recreation	547,931	-	-	250,252	798,183	572,700
Environment	-	-	269,917	25,701	295,618	274,388
Community development	-	3,150,276	6,933	-	3,157,209	2,690,312
Capital outlay	562,275	2,691,205	79,898	453,754	3,787,132	2,609,664
Total expenditures	13,958,221	6,041,301	786,839	1,633,637	22,419,998	18,612,969
Excess (deficiency) of revenues over (under) expenditures	1,357,052	(777,707)	(724,066)	1,409,384	1,264,663	1,726,208
Other financing sources (uses):						
Transfers in (out)	(100,000)	(300,000)	300,000	-	(100,000)	-
Changes in fund balances	1,257,052	(1,077,707)	(424,066)	1,409,384	1,164,663	1,726,208
Fund balances, beginning of year	6,045,805	4,967,437	2,097,414	4,011,986	17,122,642	15,396,103
Adjustment to include agency funds	-	-	-	-	-	331
Fund balances, end of year	\$ 7,302,857	3,889,730	1,673,348	5,421,370	18,287,305	17,122,642

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**  
**Year Ended April 30, 2022**  
**(With Comparative Figures for the Year Ended April 30, 2021)**

	2022	2021
<b>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities</b>		
Net change in fund balances - total governmental funds	\$ 1,164,663	1,726,208
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year as follows:		
Expenditures for capital assets	750,459	433,848
Depreciation expense	(2,072,910)	(2,057,189)
Repayment of notes receivable principal is revenue in the governmental funds, but reduces the notes receivable in the statement of net position.	(1,047)	(624,246)
Governmental funds report City Pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension expense.		
City pension contributions	1,460,341	1,608,121
City OPEB contributions	89,248	115,655
Cost of pension benefits incurred net of employee contributions	421,426	(688,030)
Cost of OPEB benefits incurred net of employee contributions	229,005	(180,339)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds as follows:		
Compensated absences	6,713	(4,537)
Change in net position of governmental activities	<u>\$ 2,047,898</u>	<u>329,491</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Net Position - Proprietary Funds**  
**April 30, 2022**  
**(With Comparative Figures for April 30, 2021)**

	Enterprise Funds			Total	
	Water and Sewer Fund	Airport Fund	Garbage Fund	2022	2021
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 9,053,167	186,570	370,998	9,610,735	10,027,352
Accounts receivable, net	70,269	6,766	29,517	106,552	156,683
Inventory	-	33,153	-	33,153	37,418
Total current assets	9,123,436	226,489	400,515	9,750,440	10,221,453
Noncurrent assets:					
Land	613,374	4,933,421	-	5,546,795	5,546,795
Other capital assets, net of depreciation	30,309,245	1,754,830	-	32,064,075	28,252,428
Total noncurrent assets	30,922,619	6,688,251	-	37,610,870	33,799,223
Total assets	40,046,055	6,914,740	400,515	47,361,310	44,020,676
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Asset retirement obligation	138,133	-	-	138,133	140,000
Deferred charge on refunding	194,909	-	-	194,909	237,357
	333,042	-	-	333,042	377,357
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable & accrued expenses	245,439	46,379	106,285	398,103	252,957
Compensated absences	75,562	7,722	-	83,284	74,100
Due to other funds	-	1,370,385	-	1,370,385	1,370,385
Lease payable	-	18,236	-	18,236	18,236
Revenue bonds payable	485,000	-	-	485,000	475,000
Total current liabilities	806,001	1,442,722	106,285	2,355,008	2,190,678
Non-current liabilities:					
Compensated absences	10,304	-	-	10,304	17,584
Lease payable	-	26,086	-	26,086	44,322
Asset retirement obligation	140,000	-	-	140,000	140,000
Revenue bonds payable	2,069,172	-	-	2,069,172	2,560,525
Total non-current liabilities	2,219,476	26,086	-	2,245,562	2,762,431
Total liabilities	3,025,477	1,468,808	106,285	4,600,570	4,953,109
<b>NET POSITION</b>					
Net investment in capital assets	28,368,447	5,273,544	-	33,641,991	29,330,755
Restricted	1,145,713	-	-	1,145,713	1,270,552
Unrestricted	7,839,460	172,388	294,230	8,306,078	8,843,617
Total net position	\$ 37,353,620	5,445,932	294,230	43,093,782	39,444,924

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds**  
**Year Ended April 30, 2022**  
**(With Comparative Figures for the Year Ended April 30, 2021)**

	Enterprise Funds				
	Water and Sewer Fund	Airport Fund	Garbage Fund	Total	
				2022	2021
Operating revenues:					
Water and sewer sales	\$ 5,658,767	-	-	5,658,767	5,526,132
Infrastructure fees	1,159,710	-	-	1,159,710	-
Garbage collection fees	-	-	1,295,910	1,295,910	1,248,818
Tap on fees/meters	56,253	-	-	56,253	174,875
Facilities rental	5,134	249,167	-	254,301	253,539
Fuel sales	-	299,416	-	299,416	231,608
Miscellaneous revenue	94,947	6,327	1,191	102,465	76,136
<b>Total operating revenues</b>	<b>6,974,811</b>	<b>554,910</b>	<b>1,297,101</b>	<b>8,826,822</b>	<b>7,511,108</b>
Operating expenses:					
Personal services	1,658,086	133,605	-	1,791,691	1,546,884
Contractual services	1,091,344	161,303	1,266,866	2,519,513	2,575,822
Commodities	441,244	272,447	-	713,691	559,946
Capital outlay/maintenance	574,737	338,324	-	913,061	349,035
Depreciation	1,098,422	103,852	-	1,202,274	1,133,427
Other expenses	77,918	16,689	3,741	98,348	83,899
<b>Total operating expenses</b>	<b>4,941,751</b>	<b>1,026,220</b>	<b>1,270,607</b>	<b>7,238,578</b>	<b>6,249,013</b>
<b>Operating income (loss)</b>	<b>2,033,060</b>	<b>(471,310)</b>	<b>26,494</b>	<b>1,588,244</b>	<b>1,262,095</b>
Non-operating revenues (expenses):					
Bank service fees	(350)	-	-	(350)	(350)
State and federal grants	-	69,996	-	69,996	1,171,429
Capital contributed	1,982,874	-	-	1,982,874	1,129,126
Interest income	5,685	145	188	6,018	9,915
Interest expense	(95,274)	(2,650)	-	(97,924)	(108,121)
<b>Total non-operating revenues (expenses)</b>	<b>1,892,935</b>	<b>67,491</b>	<b>188</b>	<b>1,960,614</b>	<b>2,201,999</b>
<b>Income (loss) before transfers</b>	<b>3,925,995</b>	<b>(403,819)</b>	<b>26,682</b>	<b>3,548,858</b>	<b>3,464,094</b>
Transfers in (out)	-	100,000	-	100,000	-
<b>Change in net position</b>	<b>3,925,995</b>	<b>(303,819)</b>	<b>26,682</b>	<b>3,648,858</b>	<b>3,464,094</b>
Net position, beginning of year	33,427,625	5,749,751	267,548	39,444,924	35,980,830
<b>Net position, end of year</b>	<b>\$ 37,353,620</b>	<b>5,445,932</b>	<b>294,230</b>	<b>43,093,782</b>	<b>39,444,924</b>

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Cash Flows - Proprietary Funds**  
**Year Ended April 30, 2022**  
**(With Comparative Figures for the Year Ended April 30, 2021)**

	Enterprise Funds			Total	
	Water and Sewer Fund	Airport Fund	Garbage Fund	2022	2021
Cash flows from operating activities:					
Receipts from customers	\$ 6,897,562	560,718	1,311,074	8,769,354	7,489,905
Other operation receipts	100,081	6,327	1,191	107,599	81,488
Payments to suppliers	(2,045,897)	(777,196)	(1,268,178)	(4,091,271)	(3,552,710)
Payments to employees	(1,663,904)	(125,883)	-	(1,789,787)	(1,552,395)
Net cash provided by (used in) operating activities	<u>3,287,842</u>	<u>(336,034)</u>	<u>44,087</u>	<u>2,995,895</u>	<u>2,466,288</u>
Cash flows from noncapital financing activities:					
Internal advances	-	100,000	-	100,000	-
Cash flows from capital and related financing activities:					
Capital assets acquired	(3,029,180)	-	-	(3,029,180)	(3,197,366)
Principal & interest on capital leases	-	(20,886)	-	(20,886)	(20,886)
Principal & interest on alternate revenue bonds	(538,460)	-	-	(538,460)	(537,760)
Grant receipts	-	69,996	-	69,996	1,171,429
Net cash provided by (used in) capital financing activities	<u>(3,567,640)</u>	<u>49,110</u>	<u>-</u>	<u>(3,518,530)</u>	<u>(2,584,583)</u>
Cash flows from investing activities:					
Interest received	<u>5,685</u>	<u>145</u>	<u>188</u>	<u>6,018</u>	<u>9,915</u>
Net change in cash and cash equivalents	(274,113)	(186,779)	44,275	(416,617)	(108,380)
Cash and cash equivalents, beginning of year	<u>9,327,280</u>	<u>373,349</u>	<u>326,723</u>	<u>10,027,352</u>	<u>10,135,732</u>
Cash and cash equivalents, end of year	<u>\$ 9,053,167</u>	<u>186,570</u>	<u>370,998</u>	<u>9,610,735</u>	<u>10,027,352</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 2,033,060	(471,310)	26,494	1,588,244	1,262,095
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	1,098,422	103,852	-	1,202,274	1,133,427
Effects of changes in operating assets and liabilities:					
(Increase) decrease in accounts receivable	22,832	12,135	15,164	50,131	60,285
(Increase) decrease in inventory	-	4,265	-	4,265	(4,320)
Increase (decrease) in accounts payable	139,346	7,302	2,429	149,077	20,556
Increase in compensated absences	(5,818)	7,722	-	1,904	(5,755)
Net cash provided by (used in) operating activities	<u>\$ 3,287,842</u>	<u>(336,034)</u>	<u>44,087</u>	<u>2,995,895</u>	<u>2,466,288</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Fiduciary Net Position**  
**April 30, 2022**  
**(With Comparative Figures for April 30, 2021)**

	Police Pension Trust Fund	Custodial Fund	Totals	
			2022	2021
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,280,052	216,481	1,496,533	1,402,389
Investments:				
U.S. treasury securities	4,390,508	-	4,390,508	5,162,607
Corporate bonds	250,202	-	250,202	505,308
Common stock	11,394,848	-	11,394,848	11,885,940
Mutual funds	3,386,871	-	3,386,871	1,910,017
Accrued interest	28,312	-	28,312	37,670
Total assets	<u>20,730,793</u>	<u>216,481</u>	<u>20,947,274</u>	<u>20,903,931</u>
<u>LIABILITIES</u>				
Accounts payable	117,354	-	117,354	200,484
Payable to others	-	216,481	216,481	167,119
Total liabilities	<u>117,354</u>	<u>216,481</u>	<u>333,835</u>	<u>367,603</u>
<u>NET POSITION</u>				
Held in trust for pension benefits	<u>\$ 20,613,439</u>	<u>-</u>	<u>20,613,439</u>	<u>20,536,328</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Changes in Fiduciary Net Position**  
**Year Ended April 30, 2022**  
**(With Comparative Figures for the Year Ended April 30, 2021)**

	Police Pension Trust Fund	
	2022	2021
Additions:		
Contributions:		
Employer contributions	\$ 1,304,327	1,258,390
Plan member contributions	256,132	226,195
Total contributions	1,560,459	1,484,585
Net investment income:		
Net change in fair value of investments	(244,434)	3,347,427
Investment income	259,093	332,087
Total investment income	14,659	3,679,514
Less: Investment expense	(64,348)	(68,370)
Net investment income	(49,689)	3,611,144
Total additions	1,510,770	5,095,729
Deductions:		
Administrative	18,316	18,428
Benefit payments, including member refunds	1,415,343	1,156,256
Total deductions	1,433,659	1,174,684
Changes in net position	77,111	3,921,045
Net position, beginning of year	20,536,328	16,615,283
Net position, end of year	\$ 20,613,439	20,536,328

The Notes to Basic Financial Statements are an integral part of this statement.

***NOTES TO BASIC FINANCIAL STATEMENTS***



Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Morris, Illinois (the City) was incorporated on February 12, 1853, and operates under an aldermanic-city form of government consisting of eight elected aldermen and a mayor. Services provided include police protection, collection and disposal of refuse, water and sewer services, storm water management, parks, swimming pool, airport facilities, and maintenance of streets.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the government are described below.

*A. The Financial Reporting Entity*

For financial reporting purposes, the City of Morris, Illinois has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. GASB has set forth criteria in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

**Blended Component Unit – Police Pension Employees Retirement System**

The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). It functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The pension system is a component unit because of the composition of the board and the fact that the City is required by state statute to provide a majority of the funding. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it was part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees and because of the fiduciary nature of such activities. The activities of the Police Pension Employees Retirement System are accounted for in the Police Pension Trust Fund.

*B. Basis of Presentation*

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. As a general rule, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

*B. Basis of Presentation – (Continued)*

Government-wide Financial Statements – (Continued)

The Statement of Net Position presents the City’s non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories.

- a. 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 improvements of those assets. Net investment in capital assets is calculated as follows:

	Governmental Activities	Business-type Activities	Total Government
Capital Assets, net of accumulated depreciation	\$ 27,308,269	37,610,870	64,919,139
Less:			
Loan from General Fund	-	(1,370,385)	(1,370,385)
Capital leases payable	-	(44,322)	(44,322)
Revenue bonds payable	-	(2,554,172)	(2,554,172)
Net investment in capital assets	<u>\$ 27,308,269</u>	<u>33,641,991</u>	<u>60,950,260</u>

- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.” Unrestricted net position may be subject to constraints imposed by management, which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The City does not allocate indirect costs.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

*B. Basis of Presentation – (Continued)*

Fund Financial Statements

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

The City reports the following major governmental funds:

General Fund – This is the City’s primary operating fund. It accounts for all financial resources, except those to be accounted for in another fund. The City’s General Fund primarily receives revenues from local property and sales taxes.

Tax Increment Financing Fund I – Accounts for capital improvements and community development for a specific area of the City established as a Tax Increment Financing District. Revenues are primarily comprised of incremental property tax proceeds.

Marina Tax Increment Financing Fund – Accounts for capital improvements and community development for a specific proposed marina area of the City established as a Tax Increment Financing District. Revenues are primarily comprised of incremental property tax proceeds.

The City reports the following major proprietary funds:

Water and Sewer Fund – Accounts for the operation of the City’s water and sewer utility. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed annually and adjusted if necessary to ensure integrity of the fund.

Airport Fund – Accounts for the operation of the City’s airport facility. Activities of the fund include administration, operation and maintenance of the airport facilities and billing and collection activities. All costs are financed through charges made to airport customers primarily for hangar rental, facility rental and fuel sales. Lease and fuel sale rates are reviewed regularly and adjusted if necessary to ensure integrity of the fund.

Garbage Fund – Accounts for the operation of the City’s refuse collection and disposal service. Activities of the fund include refuse collection and disposal, and billing and collection activities. All costs are financed through charges made to customers with rates reviewed annually and adjusted if necessary to ensure integrity of the fund.

The City also reports fiduciary funds which focus on net position and changes in net position. The City’s fiduciary funds include the Police Pension Trust Fund and a custodial fund.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

*B. Basis of Presentation – (Continued)*

Fund Financial Statements – (Continued)

The City's fiduciary funds are presented in the fiduciary fund financial statements by type. 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 government, these funds are not incorporated into the government-wide statements.

During the course of operations the government has activity between and among funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

*C. Measurement Focus and Basis of Accounting*

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds have no measurement focus; however, they use the accrual basis of accounting to recognize assets and liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if it is collected within 60 days after year-end.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

*C. Measurement Focus and Basis of Accounting – (Continued)*

Property taxes, sales taxes, other intergovernmental taxes, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity*

The following accounting policies are followed in preparing the financial statements:

Cash and Cash Equivalents

Cash and cash equivalents are pooled into common accounts in order to maximize investment opportunities and improve cash management. The City considers all cash on hand, demand deposits, money market accounts, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition to be cash equivalents.

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2022**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

*D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)*

Investments

State statutes authorize the government to invest in the following:

1. Commercial banks
2. Savings and loan institutions
3. Obligations of the US Treasury and US Agencies
4. Obligations of the States and their political subdivisions
5. Credit union shares
6. Repurchase agreements
7. Commercial paper rated within the three highest classifications by at least two standard rating services
8. Illinois Public Treasurer's Investment Pool

The Police Pension Trust Fund may invest in other investments including general and special accounts of life insurance companies, mutual funds, bank managed funds and equities.

Investments, all of which are reported in the Pension Trust Fund, are reported at fair value which is determined using selected bases. Securities traded on a national or international exchange are valued at last reported sales price at current exchange rates, and investments that do not have established markets are reported at estimated fair value.

**Restricted Assets**

The City elects to use restricted before unrestricted assets when the situation arises where either can be used. Certain assets of the Water & Sewer Fund are restricted because their use is limited by applicable debt agreements.

**Receivables**

In the government-wide 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 receivable balances for the governmental activities include sales taxes, property taxes, motel taxes, franchise fees, and various other taxes. Business-type activities report service fees as their major receivables.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

*D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)*

Property Taxes

The City levies its property tax for the subsequent year in December. This levy is certified to the County of Grundy, as they are the collection agency for taxes within the county. Taxes are recognized as receivables in the current year when the City is notified by the County of the amount. Property taxes attach as an enforceable lien on property on January 1 and are payable in two installments on July 1 and September 1, and collections are remitted to the City from July through December. When the receivable for taxes is recognized by the City, the amount estimated to be uncollectible is not recorded as it is always less than ½ of one percent and considered immaterial to the financial statements taken as a whole.

Under current procedures, the County Treasurer distributes all property taxes received to the City including amounts paid by taxpayers that have filed tax objections in the circuit court that such taxes are illegal and excessive. Any tax objections that are sustained in the subsequent legal proceedings are deducted from future property tax distributions that are due to the City.

In the Fund Financial Statements, property tax revenues are recognized under the modified accrual basis of accounting so that (a) taxes relating to the current budget and collected within 60 days after the end of the fiscal year be recognized as revenue currently; and (b) a property tax assessment made during the current year for the purpose of financing the budget of the following fiscal period be recorded as receivable and unavailable revenue to be recognized as revenue in the future period for which it was levied.

Property taxes generated from the 2020 property tax levy (\$2,332,876) are used to finance the operating budget of the fiscal year ending April 30, 2022. Although the 2021 property tax levy receivable has been recorded, the related revenue (\$2,515,242) is deferred in both the government-wide and fund financial statements. Recognition of revenue is deferred until the year it is intended to finance.

Customer Accounts Receivable and Unbilled Usage

Accounts receivable are recorded in the Enterprise Funds at the time the service is billed.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific customer accounts and the aging of the accounts receivable. If there is a deterioration of a major customer's credit worthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due to the City could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require excessive collection costs are written off to the allowance for doubtful accounts.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

*D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)*

Receivables from Others

Receivables due from others primarily represent various shared revenues from other entities. Shared revenues are recognized when the underlying exchange takes place. Items in this category include sales taxes, income and replacement taxes, motel taxes, franchise taxes and various other taxes collected by others for the City.

Due From and Due to Other Funds

During the course of its operations, the City has numerous transactions among funds. To the extent certain transactions between funds had not been paid or received as of April 30, 2022, balances of inter-fund amounts receivable or payable have been reported in the fund financial statements. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between governmental activities and business type activities are reported in the government-wide financial statements as “internal balances”.

Inventories

Inventory of the proprietary funds (Airport Fund) consists of fuel and oil supplies. Amounts on hand are stated at cost (first-in, first-out). Inventories are not material to the governmental funds and therefore are reported as expenditures at the time of purchase.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements, and in the fund financial statements for proprietary funds. Capital assets are defined by the City as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of one year. Purchased or constructed assets are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market 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. Capital assets are recorded as expenditures at the acquisition date in the fund financial statements of the governmental funds. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives.

Category	Life Range (Years)	Threshold
Buildings and building improvements	25-50	\$ 100,000
Infrastructure	15-100	250,000
Land Improvements	10-50	50,000
Machinery and Equipment	5-20	10,000
Vehicles	5-10	15,000



Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

*D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)*

Impairment of Long-lived Assets

The City reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Deferred Outflows / Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position and the fund Balance Sheets sometimes report separate sections for deferred outflows / inflows of resources. These separate financial statement elements represent a consumption / acquisition of net position that applies to a future year(s) and so will not be recognized as an outflow (expense / expenditure) or inflow (revenue) of resources until then.

The City has three items that qualify for reporting as deferred outflows of resources. A deferred charge on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The remaining two items are related to the City's pension and OPEB plans and are only recorded in the government-wide statement of net position.

The City has two types of items that qualify for reporting as deferred inflows of resources. One item, *unavailable property tax revenue*, is reported in the statement of net position and the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available. The remaining item is related to the City's pension plans and is only recorded in the government-wide statement of net position.

Compensated Absences

The City's policy allows full-time employees to accumulate unused sick leave to a maximum of 37 ½ days per year cumulative to 112 ½ total days based upon length of employment. Police personnel may accumulate unused sick leave to a maximum of 17 ½ days per year cumulative to 1,080 hours based upon length of employment. Earned vacation and personal time are generally required to be used within one year of being earned and are not cumulative. Sick pay time, if not used by the employee, shall be paid to the employee at the rate of \$10 per day for each day not so used for all employees except police personnel.

The City has recorded a liability for accumulated compensated absences of \$503,490 as of April 30, 2022. See Note 6 for further information.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

*D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)*

Long-term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business type activities column in the Statement of Net Position and the Proprietary Fund Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF), and the Police Pension Fund, and additions to / deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan, and additions to / deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The net OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

*D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)*

Fund Equity – (Continued):

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-spendable:

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

2. Restricted:

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grants, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

3. Committed:

This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

4. Assigned:

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

5. Unassigned:

This classification includes the residual fund balance for the General Fund and includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

*E. Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, gains, losses, and other changes in fund equity during the reporting period. Actual results could differ from those estimates.

**NOTE 2: DEPOSITS AND INVESTMENTS**

The City has a policy that deposits of public funds will be done in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to applicable state statutes under the Illinois Public Funds Investment Act. During the current fiscal year, except for the Police Pension Fund, the City only holds certificates of deposit with maturities less than 90 days, checking accounts, and interest bearing NOW and money market accounts.

Custodial Credit Risk - Cash

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy allows that funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent, third party institution in the name of the City.

At year-end, the carrying amount of the City's deposits was \$25,586,178, including petty cash, and excluding fiduciary fund balances, and bank balances totaled \$26,056,436. \$2,500,000 of the bank balance was covered by federal depository insurance, with the remaining balance having specific pledged collateral in the name of the City. Deposits at April 30, 2022, are as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Bank demand deposits/NOW accounts	\$ 26,056,436	25,584,798
Petty cash on hand	1,380	1,380
Total cash and cash equivalents - City	<u>\$ 26,057,816</u>	<u>25,586,178</u>
Fiduciary Funds	\$ 1,490,187	1,496,533
Total cash and cash equivalents	<u>\$ 27,548,003</u>	<u>27,082,711</u>

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 2: DEPOSITS AND INVESTMENTS – (CONTINUED)**

Investments

The City also has the same policy that investment of public funds will be done in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to applicable state statutes under the Illinois Public Funds Investment Act. State statutes, city bond ordinances and city resolutions authorize the City's investments. The City is authorized to invest in U.S. Government obligations and its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality, obligations of any state or a political subdivision of any state rated within the four highest general classifications established by a nationally recognized rating service, money market mutual funds registered under the Investment Company Act of 1940 that invest in allowable securities and fully collateralized repurchase agreements.

The Police Pension Trust Fund is the only fund with assets that are classified as investments. The Police Pension Fund has a separate investment policy providing an asset allocation not to exceed 60% in individual equities and mutual funds with the remainder in fixed income and cash or equivalents.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

City policy attempts to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of purchase. As of April 30, 2022, the Police Pension Trust Fund had the following investments in treasury securities and corporate bonds, which were the only investments subject to interest rate risk:

	Remaining Maturity				
	Fair Value	Less than One Year	1-5 Years	6-10 Years	11-15 Years
US Government Securities	\$ 4,390,508	1,503,438	2,887,070	-	-
Corporate Bonds	250,202	250,202	-	-	-
Total Fixed Income Securities	<u>\$ 4,640,710</u>	<u>1,753,640</u>	<u>2,887,070</u>	<u>-</u>	<u>-</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of April 30, 2022, the Police Pension Trust Fund investments were rated as follows:

Corporate Bonds	Fair Value	Standard & Poor's
3M Company	<u>\$ 250,202</u>	AA-
Total Corporate Bonds	<u>\$ 250,202</u>	

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2022**

**NOTE 2: DEPOSITS AND INVESTMENTS – (CONTINUED)**

Investments – (Continued)

Concentration of Credit Risk

Police Pension Fund policy attempts to diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds in order to minimize the risk of loss resulting from over concentration of assets in a specific maturity. Diversification can be by type of investment, number of institutions invested in, and length of maturity. Other than U.S. Treasury securities, the fund had no investment that represented 5% or more of total investments.

**NOTE 3: FAIR VALUE MEASUREMENTS**

The City 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.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments measured at fair value on a recurring basis are disclosed below:

	Balance at April 30, 2022	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)
US treasury securities	\$ 4,390,508	4,390,508	-	-
Corporate bonds	250,202	-	250,202	-
Common stock	11,394,848	11,394,848	-	-
Mutual funds	3,386,871	3,386,871	-	-
Total investments	\$ 19,422,429	19,172,227	250,202	-

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate Bonds 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.

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2022**

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**NOTE 4: RECEIVABLES**

In the government-wide and fund 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. Major receivable balances for the governmental activities include sales taxes, property taxes, franchise fees, and various other taxes. Business-type activities report service fees as their major receivables. All receivable balances are presented in detail in the government-wide and fund financial statements.

**Notes Receivable**

The City provided loans to local businesses under the Community Development Assistance Program (CDAP) and its Tax Increment Financing Fund I to promote commercial growth, redevelopment, and employment opportunities. The loans were offered in various amounts and terms with required monthly payments at interest rates from 1% to 3%. All loans are collateralized, and payments are current on all listed loans as of April 30, 2022.

Notes receivable were paid in full at April 30, 2022:

Name	Original Loan Amount	Balance April 30, 2021	Increases	Decreases	Balance April 30, 2022
General Fund:					
Audacious Ink	\$ 4,277	1,047	-	1,047	-
Total notes receivable	<u>\$ 4,277</u>	<u>1,047</u>	<u>-</u>	<u>1,047</u>	<u>-</u>

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2022**

**NOTE 5: CHANGES IN CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended April 30, 2022 was as follows:

	Balance as of April 30, 2021	Additions	Deletions	Balance as of April 30, 2022
Capital assets not being depreciated:				
Land	\$ 6,496,556	32,000	-	6,528,556
Total capital assets not being depreciated	<u>6,496,556</u>	<u>32,000</u>	<u>-</u>	<u>6,528,556</u>
Capital assets being depreciated:				
Land improvements	3,157,110	-	-	3,157,110
Buildings & Improvements	10,673,527	435,550	-	11,109,077
Machinery & equipment	2,469,852	86,158	-	2,556,010
Vehicles	2,697,253	196,751	-	2,894,004
Infrastructure	49,474,895	-	-	49,474,895
Total capital assets being depreciated	<u>68,472,637</u>	<u>718,459</u>	<u>-</u>	<u>69,191,096</u>
Total capital assets	<u>74,969,193</u>	<u>750,459</u>	<u>-</u>	<u>75,719,652</u>
Less accumulated depreciation:				
Land improvements	1,461,349	94,611	-	1,555,960
Buildings & improvements	2,692,629	224,780	-	2,917,409
Machinery & equipment	1,171,292	139,135	-	1,310,427
Vehicles	1,758,481	258,744	-	2,017,225
Infrastructure	39,254,722	1,355,640	-	40,610,362
Total accumulated depreciation:	<u>46,338,473</u>	<u>2,072,910</u>	<u>-</u>	<u>48,411,383</u>
Total capital assets being depreciated, net	<u>22,134,164</u>	<u>(1,354,451)</u>	<u>-</u>	<u>20,779,713</u>
Governmental activities capital assets, net	<u>\$ 28,630,720</u>	<u>(1,322,451)</u>	<u>-</u>	<u>27,308,269</u>

Depreciation for governmental activities in the current fiscal year was \$2,072,910 and was allocated as follows:

General government	\$ 224,374
Public Safety	105,229
Transportation & public service	1,610,942
Culture & recreation	<u>132,365</u>
Total depreciation – governmental activities	<u>\$ 2,072,910</u>

Significant capital additions for the year included the Morris Fire House (\$322,458), an Audio and Video Upgrade (\$113,092), an Ice Rink (\$74,997), and 4 Ford Explorers (\$144,714).



CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 5: CHANGES IN CAPITAL ASSETS – (CONTINUED)**

Capital asset activity for business-type activities for the year ended April 30, 2022 was as follows:

	Balance as of April 30, 2021	Additions	Deletions	Balance as of April 30, 2022
Capital assets not being depreciated:				
Land	\$ 5,546,795	-	-	5,546,795
Construction in progress	1,423,578	2,296,400	1,423,578	2,296,400
Total capital assets not being depreciated	<u>6,970,373</u>	<u>2,296,400</u>	<u>1,423,578</u>	<u>7,843,195</u>
Depreciable capital assets:				
Land improvements	58,345	-	-	58,345
Buildings & improvements	2,373,946	-	-	2,373,946
Machinery & equipment	950,961	30,550	-	981,511
Vehicles	541,749	-	-	541,749
Infrastructure	53,425,312	4,108,684	-	57,533,996
Total depreciable capital assets:	<u>57,350,313</u>	<u>4,139,234</u>	<u>-</u>	<u>61,489,547</u>
Total capital assets	<u>64,320,686</u>	<u>6,435,634</u>	<u>1,423,578</u>	<u>69,332,742</u>
Less accumulated depreciation:				
Land improvements	48,134	2,918	-	51,052
Buildings & improvements	860,050	49,987	-	910,037
Machinery & equipment	395,108	54,059	-	449,167
Vehicles	368,593	30,325	-	398,918
Infrastructure	28,849,578	1,063,121	-	29,912,699
Total accumulated depreciation	<u>30,521,463</u>	<u>1,200,410</u>	<u>-</u>	<u>31,721,873</u>
Total capital assets being depreciated, net	<u>26,828,850</u>	<u>2,938,824</u>	<u>-</u>	<u>29,767,675</u>
Business-type activities capital assets, net	<u>\$ 33,799,223</u>	<u>5,235,225</u>	<u>1,423,578</u>	<u>37,610,870</u>

Depreciation expense for business-type activities in the current fiscal year was \$1,200,410 and was charged as follows:

Water & sewer	\$ 1,096,557
Airport	<u>103,853</u>
Total depreciation – business type activities	<u>\$ 1,200,410</u>

Significant capital additions for the year included a sanitary sewer rehabilitation project (\$1,808,897), sewage pump improvements (\$1,982,874), and a raw sewage pump project (\$316,994).

Construction in Process at April 30, 2022 consists of the Hatcher Wood Lift and the Route 47 Sanitary Project.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 6: LONG-TERM LIABILITIES**

Long-term liability activity for the year ended April 30, 2022, was as follows:

	Balance at April 30, 2021	Additions	Deductions	Balance at April 30, 2022	Due Within One Year
<b>Governmental Activities:</b>					
Landfill Closure (Note 12)	\$ 6,368,619	-	-	6,368,619	-
Compensated Absences (Note 1)	465,401	611,836	667,335	409,902	355,637
Total OPEB Liability (Note 10)	2,126,359	-	318,263	1,808,096	-
Net Pension Liability (Note 9)	8,179,874	190,117	-	8,369,991	-
<b>Total Governmental Activities</b>	<b>\$ 17,140,253</b>	<b>801,953</b>	<b>985,598</b>	<b>16,956,608</b>	<b>355,637</b>
<b>Business-type Activities:</b>					
General Obligation Waterworks and Sewerage Refunding Bonds (Alt. Rev Source) Series 2012	\$ 3,000,000	-	475,000	2,525,000	485,000
Bond Premium/(Discount), Net	35,525	-	6,353	29,172	-
Asset retirement obligation	140,000	-	-	140,000	-
Capital Leases	62,558	-	18,236	44,322	18,236
Compensated Absences (Note 1)	91,684	134,552	132,648	93,588	83,284
<b>Total Business-type activities</b>	<b>\$ 3,329,767</b>	<b>134,552</b>	<b>632,237</b>	<b>2,832,082</b>	<b>586,520</b>

Compensated absences and net police pension liabilities of governmental activities are paid from the General Fund. Net IMRF pension liabilities of governmental activities are paid from the IMRF Fund. General obligation debt and compensated absences of business-type activities are paid from the Water and Sewer Fund, while capital lease liabilities of business-type activities are paid from the Airport Fund.

Total interest expense of \$97,896 on long-term debt has been directly charged to business-type activities as follows: Water and Sewer Fund - \$95,246 and Airport Fund - \$2,650.

**Series 2012 General Obligation Waterworks and Sewerage Refunding Bonds (Alternate Revenue Source)**

On December 4, 2012, the City issued \$5,450,000 in series 2012 general obligation waterworks and sewerage refunding bonds (alternate revenue source) to advance refund a portion of the City's outstanding general obligation waterworks and sewerage bonds (alternate revenue source) series 2006 and pay associated costs with the issuance of the bonds. The net proceeds of \$5,444,267, provided resources to purchase U.S. government securities that were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments (\$4,850,000) of the refunded portion of the 2006 series bonds. As a result, the 2006 series bonds maturing on and after December 1, 2016 were considered defeased and the liability for those bonds had been removed from the City's financial statements. All bonds maturing on and after December 1, 2016 from the 2006 series bonds were retired on December 1, 2015 with the funds on hand in the escrow account.

The advance refunding was undertaken to reduce future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$594,267. This amount is shown as a deferred charge on refunding in the financial statements and is being netted against the new debt and amortized as a component of interest expense over the new debt's life, which is the same as the refunded debt. The transaction also resulted in an economic gain (difference between present values of the debt service payments on the old and new debt) of \$382,234 and a reduction in total debt service payments over the next 14 years by \$437,079.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 6: LONG-TERM LIABILITIES – (CONTINUED):**

**Series 2012 General Obligation Waterworks and Sewerage Refunding Bonds (Alternate Revenue Source) - Continued**

Interest is payable semi-annually on June 1 and December 1 of each year, commencing December 1, 2013 at rates from 2.00% to 2.30% with the Bank of New York Mellon Trust Company acting as paying agent, bond registrar and escrow agent for the refunded bonds. Bonds maturing on and after December 1, 2022, shall be subject to redemption prior to maturity on December 1, 2021, or any date thereafter in whole or in part on any interest payment date, in any order of maturity specified by the City at a redemption price equal to the principal amount to be so redeemed, plus accrued interest to the date fixed for redemption. Moody's Investor Services had issued an investment rating of "Aa2" at the time of the issue.

The Bonds are valid and legally binding general obligations of the City payable from (i) net revenues of the waterworks and sewerage system of the City (after the required monthly deposits and credits have been made to certain prior lien accounts, if any, established pursuant to future ordinances of the City authorizing waterworks and sewerage revenue bonds (the "net revenues"), (ii) from the City's receipts of its distributive share of (a) State of Illinois income taxes imposed by the State of Illinois pursuant to the Illinois Income Tax Act and distributed pursuant to the State Revenue Sharing Act, and (b) (the "Revenue Sharing Receipts"), retailer's occupation taxes, service occupation taxes, use taxes and service use taxes distributed pursuant to applicable law (the "sales taxes")(net revenues, revenue sharing receipts and sales taxes collectively constitute "pledged revenues"), and (c) from ad valorem taxes levied against all of the taxable property in the City without limitation as to rate or amount. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable judicial discretion.

The annual requirements to retire series 2012 alternate revenue bond debt service to maturity follow:

Year Ending April 30,	Principal	Interest	Total P&I
2023	\$ 485,000	53,610	538,610
2024	495,000	43,910	538,910
2025	505,000	34,010	539,010
2026	515,000	23,405	538,405
2027	525,000	12,075	537,075
	<u>\$ 2,525,000</u>	<u>167,010</u>	<u>2,692,010</u>

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 6: LONG-TERM LIABILITIES – (CONTINUED)**

**Asset Retirement Obligation**

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon five water wells at the end of their estimated useful lives in accordance with state requirements. The ARO was measured using historical costs for similar abandonments, adjusted for inflation through the end of the year and engineering estimates. The estimated remaining useful lives of the water wells is 75 years.

**Capital Lease Liabilities**

The City entered into lease agreements as lessee for financing the construction or acquisition of airport hangars. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. For the fiscal year ended April 30, 2022, the gross amount of assets recorded under capital leases was \$1,250,000 with current year amortization expense recorded as depreciation of \$25,000 and accumulated depreciation of \$437,500 in the business-type airport activity.

All lease agreements are with Grundy Bank and call for renewals every five years if not paid in full. In the event the City makes payment of the purchase price or makes all lease payments and exercises the option to purchase, then the subject lease will be considered terminated. Amounts available in the airport operations account are used for payments on both leases.

The Corporate Hangar Lease was renewed during the fiscal year ended April 30, 2022 with the following details:

	100 x 120 Corporate Hangar
Original lease amount	<u>\$ 250,000</u>
Refinanced 2020	\$ 92,471
Date renewed	7/10/2019
Interest rate	4.75%
Payment frequency	Quarterly
Payment amount	\$ 5,222
Term	5 Years
Unpaid April 30, 2022	<u>\$ 44,322</u>

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2022**

**NOTE 6: LONG-TERM LIABILITIES – (CONTINUED)**

**Capital Lease Liabilities – (Continued):**

Obligations of business-type activities under capital leases at April 30, 2022 are as follows:

Fiscal Year Ending	2004 Corporate Hangar
April 30, 2023	\$ 20,886
April 30, 2024	20,886
April 30, 2025	<u>5,222</u>
Total minimum lease payments	46,994
Less: amount representing interest costs	<u>2,672</u>
Present value of future minimum payments	<u><u>\$ 44,322</u></u>

**NOTE 7: LEGAL DEBT MARGIN**

Legal debt margin is the percent of the City's assessed valuation which is subject to debt limitation. The statutory debt limitation for the City is 8.625%. The City's legal debt margin is as follows as of April 30, 2022:

Assessed valuation (2021) - Including TIF Districts	<u>\$ 445,934,786</u>
Statutory debt limitation (8.625%)	\$ 38,461,875
Debt applicable to limitation:	
General Obligation Refunding Bonds (ARS), Series 2012	\$ 2,525,000
Airport Hangar Capital Lease Commitment, dated July 10, 2014	<u>44,322</u>
Total applicable debt	<u>2,569,322</u>
Less amounts not included in the debt limitation:	
Self-supporting bonded debt	<u>(2,525,000)</u>
Total debt applicable to the debt limitation	<u>44,322</u>
Legal debt margin	<u><u>\$ 38,417,553</u></u>

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2022**

**NOTE 8: OPERATING LEASES**

The City has entered into several operating leases for the use of postage and copy machines by various departments. In addition, land leases with the Department of Natural Resources are required for infrastructure uses of land not owned by the City.

The following is a schedule by years of rental payments required under operating leases that have initial noncancelable lease terms in excess of one year as of April 30, 2022:

Fiscal Year Ended	Amount
April 30,	
2023	\$ 5,216
2024	1,420
Total	<u>\$ 6,636</u>

**NOTE 9: DEFINED BENEFIT PENSION PLANS**

The City's total liability for pensions is reported in the Statement of Activities as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability (Asset)	Pension Expense (Income)
Police Pension	\$ 1,799,182	(2,645,218)	8,369,991	535,464
IMRF	754,548	(2,819,443)	(2,491,637)	(737,243)
Totals	<u>\$ 2,553,730</u>	<u>(5,464,661)</u>	<u>5,878,354</u>	<u>(201,779)</u>

**Illinois Municipal Retirement Fund**

***Plan Description***

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at [www.imrf.org](http://www.imrf.org).

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 9: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Illinois Municipal Retirement Fund – (Continued)**

***Benefits Provided***

IMRF has three benefit plans. The 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 City Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO was closed to new participants after that date).

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of original pension amount
- ½ of the increase in the Consumer Price Index of the original pension amount.

***Membership***

As of December 31, 2021, the City’s plan membership consisted of the following:

Retirees and beneficiaries	59
Inactive, non-retired members	19
Active members	49
Total	127

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 9: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Illinois Municipal Retirement Fund – (Continued)**

***Contributions***

As set by statute, the City’s Regular plan members are required to contribute a percent of their annual covered salary. The statute requires the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The required contribution rates and actual City contributions for calendar year 2021 and the fiscal year ended April 30, 2022 are summarized below. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Member contribution rate	4.50%
City contribution rate - 2021	10.16%
City contribution rate - 2022	8.55%
City contributions - 2021	\$ 386,260
City contributions - fiscal year 2022	\$ 342,128

***Net Pension Liability (Asset)***

The City’s net pension liability (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.35% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from an IMRF-specific mortality table with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.



Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 9: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Illinois Municipal Retirement Fund – (Continued)**

***Actuarial Assumptions – (Continued)***

- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2021:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	39%	1.90%
International Equity	15%	3.15%
Fixed Income	25%	(0.60)%
Real Estate	10%	3.30%
Alternative Investments	10%	1.70-5.05%
Cash Equivalents	<u>1%</u>	(0.90)%
Total	<u>100%</u>	

***Single Discount Rate***

A single discount rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

The single discount rate reflects:

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

For purposes of the December 31, 2021 valuations, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

NOTE 9: **DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Illinois Municipal Retirement Fund – (Continued)**

***Changes in Net Pension Liability (Asset)***

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2020	\$ 19,871,466	20,489,385	(617,919)
Changes for the year:			
Service Cost	336,865	-	336,865
Interest on the Total Pension Liability	1,426,104	-	1,426,104
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	304,327	-	304,327
Changes of Assumptions	-	-	-
Contributions - Employer	-	386,260	(386,260)
Contributions - Employees	-	156,014	(156,014)
Net Investment Income	-	3,284,382	(3,284,382)
Benefit Payments, including Refunds of Employee Contributions	(739,010)	(739,010)	-
Other (Net Transfer)	-	114,358	(114,358)
Net Changes	1,328,286	3,202,004	(1,873,718)
Balances at December 31, 2021	<u>\$ 21,199,752</u>	<u>23,691,389</u>	<u>(2,491,637)</u>

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

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1.00% lower or 1.00% higher.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total Pension Liability	\$ 23,466,292	21,199,752	19,397,712
Plan Fiduciary Net Position	23,691,389	23,691,389	23,691,389
Net Pension Liability (Asset)	<u>\$ (225,097)</u>	<u>(2,491,637)</u>	<u>(4,293,677)</u>

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 9: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Illinois Municipal Retirement Fund – (Continued)**

***Pension Expense and Deferred Outflows / Inflows of Resources Related to Pensions***

For the year ended April 30, 2022, the City recognized pension benefit income of \$737,243. At April 30, 2022, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 261,238	34,942
Changes in assumptions	-	29,005
Net difference between projected and actual earnings on pension plan investments	<u>390,601</u>	<u>2,755,496</u>
Total deferred amounts to be recognized in future pension expense	651,839	2,819,443
Contributions subsequent to the measurement date	<u>102,709</u>	<u>-</u>
Total	<u>\$ 754,548</u>	<u>2,819,443</u>

\$102,709 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2022. 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:

Calendar Year Ending December 31,	Net Deferred Outflows of Resources
2022	\$ (435,265)
2023	(807,553)
2024	(564,410)
2025	(360,376)
2026	-
Thereafter	<u>-</u>
	<u>\$ (2,167,604)</u>

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 9: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Police Pension Plan**

**Plan Description**

***Administration***

The City of Morris Police Pension Fund was created and is administered as prescribed by “Article 3 Police Pension Fund – Municipalities 500,000 and under” of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40). Police sworn personnel are covered by the Plan. Although this is a defined-benefit single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund and does not issue a separate financial report.

***Membership***

As of April 30, 2022, the City’s plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	21
Inactive Plan Members Entitled To but Not Yet Receiving Benefits	2
Active Plan Members	<u>27</u>
Total	<u><u>50</u></u>

***Benefits Provided***

The Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of the final salary for each year of service. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the originally granted pension and 3% compounded annually thereafter.

Surviving spouses receive 100% of the final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee’s retirement benefit. Employees disabled in the line of duty receive 65% of final salary.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 9: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Police Pension Plan – (Continued)**

***Benefits Provided – (Continued)***

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten 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 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year or service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> 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% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

***Contributions***

As set by statute, employees are required to contribute 9.91% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost of the Plan. For the year ended April 30, 2022, the City contribution was \$1,304,327.

***Investments***

Investment and investment policies for the Police Pension Plan are detailed in note 2 to these financial statements. The City has no other funds classified as investments.

***Net Pension Liability***

The City's net pension liability was measured as of April 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of May 1, 2021.

The components of the net pension liability of the Plan at April 30, 2022, were as follows:

Total Pension Liability	\$ 28,983,430
Plan Fiduciary Net Position	<u>20,613,439</u>
Net Pension Liability	<u>\$ 8,369,991</u>

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 9: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Police Pension Plan – (Continued)**

***Actuarial Assumptions***

The total pension liability was determined by an actuarial valuation as of May 1, 2021, updated to April 30, 2022, using the following actuarial assumptions.

- The Actuarial Cost Method used was Entry Age Normal.
- The Amortization Method used was Straight Line.
- The Asset Valuation Method used was Market Value of Assets.
- High Quality 20 Year Tax-Exempt G.O. Bond Rate increased from 2.27% to 3.21%
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.25 – 11.51%.
- The Investment Rate of Return was assumed to be 7.00%.
- Retirement Rates are based on Lauterbach & Amen 2020 Illinois police retirement rates capped at age 65.
- Disability and termination rates were based on Lauterbach & Amen 2020 Illinois police rates.
- Marital status assumption – 80% married.
- Active mortality follows the sex distinct raw rates as developed in the PubS-2010(A) study. These rates are improved generationally using MP-2019 improvement rates.
- Retiree mortality follows the Lauterbach & Amen assumption study for police 2020. These rates are experience weighted with raw rates as developed in the PubS-2010(A) study improved to 2017 using MP-2019 improvement rates.
- Disabled mortality follows the sex distinct raw rates as developed in the PubS-2010(A) study for disabled participants, with blue-collar adjustment. These rates are improved generationally using MP-2019 improvement rates.
- Spouse mortality follows the sex distinct raw rates as developed in the PubS-2010(A) study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.
- The Long-Term Expected Rate of Return is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The target asset allocations show below are representative expectations as disclosed in the Illinois Police Officers' Pension Investment Fund Actuarial Experience Study, dated March 4, 2022, for plan funding purposes. The table below illustrates the best estimate of Long-Term Expected Rates of Return developed for each of the major asset classes, adjusted for expected inflation, as disclosed in the Horizon Actuarial Services Survey of Capital Market Assumptions 2021 Edition, dated August 2021. The rates provided in the table below are based on a geometric average.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 9: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Police Pension Plan – (Continued)**

***Actuarial Assumptions* – (Continued)**

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectation	Long-Term Expected Real Rate of Return
US Large	6.65%	2.50%	4.15%
US Small	7.04%	2.50%	4.54%
International Developed	7.14%	2.50%	4.64%
International Developed Small	2.25%	2.50%	-0.25%
Emerging Markets	7.81%	2.50%	5.31%
Private Equity (Direct)	9.65%	2.50%	7.15%
Bank Loans	4.98%	2.50%	2.48%
High Yield Corp. Credit	4.98%	2.50%	2.48%
Emerging Market Debt	5.32%	2.50%	2.82%
Private Credit	6.87%	2.50%	4.37%
US TIPS	2.38%	2.50%	-0.12%
Real Estate/Infrastructure	6.50%	2.50%	4.00%
Cash	2.23%	2.50%	-0.27%
Short-Term Gov't/Credit	3.23%	2.50%	0.73%
US Treasury	1.90%	2.50%	-0.60%
Core Plus Fixed Income	3.23%	2.50%	0.73%

For the year ended April 30, 2022, the annual money-weighted rate of return on Police Pension Plan investments, net of expenses, was not available. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for changing amounts actually invested.

***Bond Rate***

The High-Quality 20 Year Tax-Exempt General Obligation (“G.O.”) Bond Rate assumption was changed from 2.27% to 3.21% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index as discussed in more detail later in this section. The choice of Index is unchanged from the prior year. The rate has been updated to the current Fiscal Year End based on changes in market conditions as reflected in the Index.

***Discount Rate***

A Single Discount Rate of 7.00% was used to measure the total pension liability. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2022**

**NOTE 9: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Police Pension Plan – (Continued)**

***Discount Rate – (Continued)***

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.00% and the resulting single discount rate is 7.00%, because the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current members.

***Changes in Net Pension Liability***

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2021	\$ 28,716,202	20,536,328	8,179,874
Changes for the year:			
Service Cost	542,104	-	542,104
Interest on the Total Pension Liability	1,902,377	-	1,902,377
Differences Between Expected and Actual Experience of the Total Pension Liability	(761,910)	-	(761,910)
Changes of Assumptions	-	-	-
Change of Benefit Terms	-	-	-
Contributions - Employer	-	1,304,327	(1,304,327)
Contributions - Employees	-	256,132	(256,132)
Net Investment Income	-	(49,689)	49,689
Benefit Payments, including Refunds of Employee Contributions	(1,415,343)	(1,415,343)	-
Other	-	(18,316)	18,316
Net Changes	267,228	77,111	190,117
Balances at April 30, 2022	<u>\$ 28,983,430</u>	<u>20,613,439</u>	<u>8,369,991</u>



Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 9: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Police Pension Plan – (Continued)**

***Sensitivity of Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net Pension Liability/(Asset)	\$ 12,548,671	8,369,991	4,961,217

***Pension Expense and Deferred Outflows / Inflows of Resources Related to Pensions***

For the year ended April 30, 2022, the City recognized pension expense of \$535,464. At April 30, 2022, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 299,866	864,422
Changes in assumptions	-	300,216
Net difference between projected and actual earnings on pension plan investments	<u>1,499,316</u>	<u>1,480,580</u>
Total	<u>\$ 1,799,182</u>	<u>2,645,218</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense in future periods as follows:

<u>Year Ending April 30,</u>	<u>Net Deferred Outflows of Resources</u>
2023	\$ (278,306)
2024	(215,565)
2025	(301,596)
2026	174,567
2027	(136,492)
Thereafter	<u>(88,644)</u>
	<u>\$ (846,036)</u>

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 10: OTHER POST-EMPLOYMENT BENEFITS**

***Plan Description***

In addition to the pension benefits described in Note 9, the City provides healthcare insurance for certain retired employees. All employees who meet the IMRF or Police Pension retirement eligibility requirements may participate in the healthcare insurance program, which covers both active and retired members. The plan does not issue a separate report. The activity of the plan is reported with the City's governmental activities in the accompanying financial statements.

***Benefits Provided***

*Medical / Prescription Coverage*

- IMRF & non-PSEBA Police Officers:
  - Under age 65 – retiree pays full cost of coverage, including dependents; dependent or spousal coverage may continue under COBRA provisions should retiree coverage terminate.
  - Age 65 and over – retiree pays full cost of coverage with the Plan being secondary to Medicare; dependent or spousal coverage may continue under COBRA provisions should retiree coverage terminate.
- PSEBA Police Officers:
  - Under age 65 – City pays full cost of coverage, including any dependents; dependent or spousal coverage continues should retiree coverage terminate.
  - Age 65 and over – City pays full cost of coverage with the Plan being secondary to Medicare; dependent or spousal coverage continues should retiree coverage terminate.

*Dental, Vision, and Life Coverage*

- IMRF and non-PSEBA Police Officers:
  - Retiree pays for the full cost of coverage, including any dependents, for dental and vision. Dependent or spousal coverage may continue under COBRA provisions should retiree coverage terminate.
  - Dental and vision coverage may continue past Medicare eligibility, with the retiree paying the full cost of coverage.
  - Retirees are permitted to remain on life insurance in retirement, with the retiree paying the full cost of coverage (coverage may be reduced depending on the retiree's age at retirement).
- PSEBA Police Officers:
  - The City may pay for the full cost of coverage, including any dependents, for dental, vision and life insurance. Dependent or spousal coverage may continue should retiree coverage terminate.
  - Dental, vision, and life insurance coverage may continue past Medicare eligibility, with the City continuing to pay the full cost of coverage, including any dependents. The plans are secondary to Medicare once applicable.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 10: OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)**

***Membership***

As of April 30, 2022, the following employees were covered by the benefit terms:

Active employees	74
Inactive employees entitled to but not yet receiving benefits	0
Inactive employees currently receiving benefits	<u>5</u>
Total	<u><u>79</u></u>

***Contributions***

The City Council determines the benefits to be provided and contribution requirements. The City currently funds these benefits on a pay-as-you-go basis and has not established a separate trust fund. The employees reimburse the City for the full monthly premium, if applicable.

A portion of the City’s contributions and benefit payments is based on the cost-sharing provisions of the plan. In addition, a portion is related to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

Of the benefit payments made in 2022, \$26,743 are explicit benefit payments due to the PSEBA pensioners and \$62,505 are implicit benefit payments due to the presence of retirees in the determination of the blended retiree/active premiums.

***Net OPEB Liability***

At April 30, 2022, the City had a net OPEB liability for the plan, determined as follows:

Total OPEB Liability	\$ 1,808,096
Plan Fiduciary Net Position	<u>-</u>
Net OPEB Liability	<u><u>\$ 1,808,096</u></u>

The net OPEB liability was measured as of April 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of May 1, 2022, using 2022 data.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 10: OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)**

***Changes in the Net OPEB Liability***

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at May 1, 2021	\$ 2,126,359	-	2,126,359
Changes for the year:			
Service Cost	37,615	-	37,615
Interest	47,255	-	47,255
Differences in Actuarial Experience	-	-	-
Changes of Assumptions	(313,885)	-	(313,885)
Contributions - Employer	-	89,248	(89,248)
Contributions - Employees	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(89,248)	(89,248)	-
Administrative expense	-	-	-
Net Changes	(318,263)	-	(318,263)
Balances at April 30, 2022	\$ 1,808,096	-	1,808,096

***Actuarial Assumptions***

The following are the methods and assumptions used to determine total OPEB liability at April 30, 2022:

- The Actuarial Cost Method used was Entry Age Normal (Level %)
- Discount rate used for the Total OPEB Liability:
  - Beginning of year – 2.27%
  - End of year – 3.21%
- High Quality 20 Year Tax-Exempt GO Bond Rate:
  - Beginning of year – 2.27%
  - End of year – 3.21%
- Payroll increases – 2.75%
- Healthcare Cost Trend Rates – The initial trend rate is based on the 2022 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range.
- Election at retirement is assumed to be 10%, except for police currently waiving coverage, which are assumed to elect coverage at 3%.
- Spousal election assumption is 50%
- Plan participation rates – 100%
- Retiree lapse ranges upon attaining age 65 – 0%
- Termination & Disability rates are based on the IMRF 2017 rates for IMRF employees and on the L&A Assumption Study 2020 for Police Officers.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 10: OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)**

***Actuarial Assumptions – (Continued)***

- Mortality Rates for retirees, spouses, and disabled retirees follow the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustments. These rates are improved generationally using MP-2016 Improvement Rates.

***Single Discount Rate***

There is currently no expectation for future returns on OPEB Plan assets since the OPEB obligation is an unfunded obligation. The City does not have a trust dedicated exclusively to the payment of OPEB benefits.

The discount rate used in the determination of the Total OPEB Liability is based on a combination of the Expected Long-Term Rate of Return on Plan Assets and the municipal bond rate. Because the City does not have a trust dedicated exclusively to the payment of OPEB benefits, only the municipal bond rate is used in determining the Total OPEB Liability. The municipal bond rate at April 30, 2022 was 3.21%.

The municipal bond rate assumption is based on the Bond Buyer 20-Bond GO Index. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent to Moody's Aa2 and Standard & Poor's AA.

***Sensitivity of Net OPEB Liability to the Single Discount Rate***

The following represents the City's net OPEB liability calculated using the above-referenced single discount rate, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease (2.21%)	Current Discount Rate (3.21%)	1% Increase (4.21%)
Net OPEB Liability/(Asset)	<u>\$ 2,042,719</u>	<u>1,808,096</u>	<u>1,617,439</u>

The sensitivity of the Net OPEB Liability to the discount rate is based primarily on two factors:

1. The duration of the plan's expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The funded percentage of the plan (ratio of the Net Position to the Total OPEB Liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 10: OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)**

***Sensitivity of Net OPEB Liability to the Health Care Cost Trend Rate***

The following represents the City's net OPEB liability as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease (Varies)	Current Trend Rate (Varies)	1% Increase (Varies)
Net OPEB Liability/(Asset)	\$ 1,592,036	1,808,096	2,073,144

Current healthcare cost trend rates are as follows:

- Medical trend rates for retirees under 65 decrease from 7.70% to 5.00%.
- Dental trend rates remain flat at 2.60%
- Vision trend rates remain flat at 2.10%
- Life insurance trend rates remain flat at 0.00%

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

For the year ended April 30, 2022, the City recognized OPEB benefit of \$(229,015).

At April 30, 2022, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	\$ -	-

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 10: OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)**

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

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

Fiscal Year Ending April 30,	Deferred Outflows	Deferred Inflows
2023	\$ -	-
2024	-	-
2025	-	-
2026	-	-
2027	-	-
Thereafter	-	-
	<u>\$ -</u>	<u>-</u>

**NOTE 11: INTER-FUND BALANCES AND TRANSFERS**

Interfund Balances

The following is a schedule of interfund receivables and payables as of April 30, 2022:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
General Fund	\$ -	1,370,385
Airport Development Fund	1,370,385	-
Water and Sewer:		
Operations and Maintenance Fund	-	4,100,000
Capital Improvement Funds	4,100,000	-
Total	<u>\$ 5,470,385</u>	<u>5,470,385</u>

The interfund balances above represent an advance from the General Fund to the Airport Development Fund for capital project financing until grant revenues can be obtained, and a loan from the General Fund for the purposes of paying off the remaining balance of the T-Hangar Capital Lease. The interfund balances in the Water and Sewer Funds represent a loan from the Capital Improvements Fund to the Operations and Maintenance Fund for infrastructure costs.

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2022**

**NOTE 11: INTER-FUND BALANCES AND TRANSFERS – (CONTINUED)**

Operating Transfers

During the year ended April 30, 2022, \$300,000 was transferred from the TIF I Fund to the Marina TIF Fund to cover expenditures and \$100,000 was transferred from the General Fund to the Airport Fund for operating expenditures. During the year ended April 30, 2022, there were transfers between Water and Sewer sub-funds in the amount \$545,000 for the debt payment and capital outlay.

	<u>Transfers In</u>	<u>Transfers Out</u>
TIF Fund I	\$ -	300,000
Marina TIF Fund	300,000	-
General Fund	-	100,000
Airport Fund	100,000	-
Total	<u>\$ 400,000</u>	<u>400,000</u>

**NOTE 12: LANDFILL CLOSURE AND POST CLOSURE CARE COSTS**

State and federal laws require the operator of a landfill to place a final cover on the site when it stops accepting waste and to perform certain monitoring functions at the site for thirty years after closure. The City owns the land upon which a landfill facility is located, comprised of two parcels A and B, which have been developed and operated by Community Landfill Corporation. A June 8, 2009 decision by the Illinois Pollution Control Board found Community Landfill Corporation must cease and desist from accepting any additional waste at the site, legally making the remaining capacity zero cubic yards.

The most recent IEPA-approved estimates available for closure and post-closure costs were provided in connection with approval of a significant modification permit for the facility in November of 2000. These estimates of closure costs reflect current third-party costs and assume the IEPA will contract for all closure and post-closure care work. Those estimates of closure costs total \$1,254,410 and \$2,191,930 for parcels A and B, respectively. Closure costs include equipment decontamination; drainage control; cover placement; vegetation, gas probes, inspection and certification of groundwater collection trench; and administrative costs. In addition, costs of \$950,000 are estimated to be required for Parcel B waste relocation.

The most recent IEPA-approved estimates of post-closure costs total \$11,103,346 and \$1,927,680 for parcels A and B, respectively. Post-closure care costs include inspections, cover and vegetative cover and maintenance, water and gas monitoring, organic testing, as well as leachate management and treatment. State and federal laws and regulations require the performance of these maintenance and monitoring functions at the landfill site for 30 years after closure. In addition, the above figures include costs related to groundwater treatment, operations, and maintenance for a period of 100 years. Due to changes in technology, laws, or regulations these costs may change in the future.



Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

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**NOTE 12: LANDFILL CLOSURE AND POST CLOSURE CARE COSTS – (CONTINUED)**

All information above represents the most recent estimates approved by the State, but is approximately eighteen years old. According to the State, the original cost estimates adjusted for inflation total \$22,739,617 in 2013 dollars. Engineering estimates of a City hired firm dispute these amounts as being outdated and substantially inaccurate, with recently revised present total closure/post-closure costs estimated to be \$6,368,619 (including \$3,300,062 for 30 years of post-closure costs). The entire issue of closure/post-closure financial responsibility is the subject of legal proceedings as explained below.

On August 5, 2011, the Third District Appellate Court set aside a 2006 ruling against the City by the Illinois Pollution Control Board and found that the City (1) did not violate the Environmental Protection Act or its regulations, (2) is not responsible for obtaining financial assurance for the landfill, and (3) is not liable for any civil penalty. The operator, Community Landfill Co., is still liable for putting up \$17.4 million in financial assurance and payment of related penalties.

On October 13, 2013, the City received an EPA violation notice alleging that it is in violation of 415 ILCS 5/21 of the Illinois Environmental Protection Act, as well as other landfill closure/post-closure violations, similar to those recently successfully litigated. On March 24, 2014, the City then received a notice of intent to pursue legal action from the Illinois EPA. The State may file an action in the near future.

In addition to the above matters, in February 2011, an enforcement action pertaining to groundwater testing and monitoring was filed that requires testing and monitoring to resume. The action assesses various civil penalties of \$50,000 for each violation and \$10,000 for each day of violation. The case is currently pending.

A large portion of the \$17,427,366 previously approved by the State constitutes the present value of 100 years of potential leachate and groundwater collection and treatment by a third party. This amount is in dispute because the City is presently treating and plans to continue to treat in the future all leachate collected from the landfill at its own facilities with no cost to the State. In addition, in the opinion of the City's landfill consultants, there are substantial questions as to whether the groundwater in question would need to be treated. Due to these issues, and the litigation described above, no agreed-upon estimate is currently available for the cost of leachate treatment. Pending final resolution of the entire matter, the potential liability could range from as low as zero to as high as \$22,739,617. Currently, the revised estimate of \$6,368,619 of closure/post closure costs is reflected as a potential liability of the City of Morris in the government-wide statement of net position.

**NOTE 13: RISK MANAGEMENT**

The City is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and injuries to employees. The City purchases insurance from a private carrier for coverage of general liability, property, and casualty coverage. The private insurance covers claims arising from general liability, automobile liability, errors and omissions, law enforcement liability, and property risks. There have been no significant reductions in coverage from the prior year and since there have been no settlements, they have not exceeded coverage in the past three years.

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2022**

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**NOTE 14: CONTINGENCIES**

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 government expects such amount, if any, to be immaterial.

**NOTE 15: RISKS AND UNCERTAINTIES**

The Pension Trust Funds invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term. Such changes could materially affect the amounts reported in the Statement of Net Position available for benefits.

**NOTE 16: TAX ABATEMENTS**

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments to disclose certain information about their tax abatement agreements. Currently, the City is not participating in any programs operated by other governments but has its own tax abatement programs described below.

- By the authority of 35 ILCS 200/18-184 and 65 ILCS 5/11-15.1-2 (e-5), the City enters into agreements with property owners to abate 100% of the City portion of property taxes on selected property that is the subject of an annexation agreement. The abatement typically remains in effect for a period of 20 years unless the property is developed. Once development of the property is approved, the abatement ceases. Once the abatement is filed, the property taxes are abated by the County Clerk before the issuance of the property tax bill. In exchange for the abatement of property taxes, the City benefits from the additional tax base provided by the annexation, as well as the inclusion of areas for future growth and development. Property taxes abated under this program total \$3,779 for the 2020 levy year and \$3,447 for the 2021 levy year.
- By the authority of 35 ILCS 200/18-165, Section 10 of Article VII of the Constitution of the State of Illinois of 1970 and 5 ILCS 220/1 et seq., the City enters into agreements with property owners to abate a portion of the City portion of property taxes on selected property that is the subject of an approved abatement over a period of 4 years. Once the abatement is filed and the property developed, the property taxes are abated by the County Clerk before the issuance of the property tax bill as follows: year 1 – 75%, year 2 – 50%, year 3 – 25%, year 4 – 0%. In exchange for the abatement of property taxes, the City benefits from the additional tax base provided by the annexation, as well as the inclusion of areas for future growth and development. In the 2020 levy year, property taxes abated and subject to reimbursement under this program were \$120,653. In the 2021 levy year, property taxes abated and subject to reimbursement under this program were \$217,565.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2022

**NOTE 16: TAX ABATEMENTS – (CONTINUED)**

- By the authority of 65 ILCS 5/8-11-20, the City enters into economic incentive agreements. Under these agreements, the City, at its discretion, agrees to rebate a percentage of the local portion of any retailers' occupation taxes received that is generated over a finite period of time. Once the agreement is in place and after receipt of the taxes from the State and appropriate documentation/verification procedures, the City rebates the appropriate amounts to the interested party. In exchange for the rebate of retailers' occupation taxes, the City benefits from the creation or retainage of jobs, creation or further development, strengthening of the commercial sector, and enhancement of the tax base. Retailers' occupation taxes subject to reimbursement for the fiscal year ended April 30, 2022 totaled \$2,087,678, and reimbursements of \$1,748,214 were made during the fiscal year.

**NOTE 17: RESTRICTED NET POSITION**

Restricted net position balances reported on the government-wide statement of net position at April 30, 2022 includes the following:

	Governmental Activities	Business-type Activities	Total
Restricted for:			
Transportation/public works	\$ 8,887,937	972,692	9,860,629
Community development	469,015	-	469,015
Health & sanitation	519,511	-	519,511
Culture & recreation	570,466	-	570,466
Employee retirement costs	396,561	-	396,561
Law enforcement	140,958	-	140,958
Debt Service	-	173,021	173,021
Total restricted	<u>\$ 10,984,448</u>	<u>1,145,713</u>	<u>12,130,161</u>

See note 1 to the financial statements for a description of each of the fund balance categories shown above.

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2022**

**NOTE 18: FUND BALANCES**

Governmental fund balances reported on the fund financial statements at April 30, 2022 includes the following:

	General Fund	Tax Increment Financing Fund I	Marina Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
Restricted for:					
Transportation/public works	\$ -	3,270,715	1,673,348	3,943,874	8,887,937
Community development	-	469,015	-	-	469,015
Health & sanitation	-	-	-	519,511	519,511
Culture & recreation	-	150,000	-	420,466	570,466
Employee retirement costs	-	-	-	396,561	396,561
Law enforcement	-	-	-	140,958	140,958
Total restricted	-	3,889,730	1,673,348	5,421,370	10,984,448
Unassigned	7,302,857	-	-	-	7,302,857
Total fund balances	\$ 7,302,857	3,889,730	1,673,348	5,421,370	18,287,305

See note 1 to the financial statements for a description of each of the fund balance categories shown above.

**NOTE 19: SUBSEQUENT EVENTS**

Management evaluated subsequent events through November 7, 2022, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of April 30, 2022 as a result of events occurring between May 1, 2022 and November 7, 2022.

***REQUIRED SUPPLEMENTARY INFORMATION***

CITY OF MORRIS, ILLINOIS  
GENERAL FUND

SCHEDULE A-1

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Taxes:					
Property tax					
General corporate	\$ 300,000	300,000	273,965	(26,035)	293,928
TIF reimbursement	120,000	120,000	111,584	(8,416)	45,712
Police protection	75,000	75,000	70,745	(4,255)	70,768
Police pension	1,304,327	1,304,327	1,230,195	(74,132)	1,187,415
Township road & bridge	65,000	65,000	57,168	(7,832)	62,931
Municipal sales tax:					
Municipal sales tax	5,800,000	5,800,000	6,248,224	448,224	5,130,226
Reimbursable sales tax	1,400,000	1,400,000	2,087,678	687,678	1,342,613
Local use tax	468,500	468,500	562,612	94,112	704,980
Total taxes	9,532,827	9,532,827	10,642,171	1,109,344	8,838,573
Intergovernmental:					
State income tax	1,363,000	1,363,000	2,215,275	852,275	1,655,169
Replacement tax	93,300	93,300	332,321	239,021	146,298
Video gaming tax	320,000	320,000	373,540	53,540	218,472
Federal and state grants	867,900	867,900	11,345	(856,555)	597,007
Total intergovernmental	2,644,200	2,644,200	2,932,481	288,281	2,616,946
Licenses and permits:					
Contractor licenses	42,000	42,000	40,800	(1,200)	39,350
Liquor licenses	52,855	52,855	49,465	(3,390)	44,700
Other licenses	13,104	13,104	27,004	13,900	11,575
Building permits	30,000	30,000	83,586	53,586	112,944
Demolition permits	300	300	600	300	300
Total licenses and permits	138,259	138,259	201,455	63,196	208,869
Franchise fees:					
Cable TV franchise fees	225,000	225,000	224,956	(44)	212,589
Telephone franchise fees	9,800	9,800	9,783	(17)	9,783
Total franchise fees	234,800	234,800	234,739	(61)	222,372
Charges for services:					
Swimming pool	117,000	117,000	89,832	(27,168)	10,839
Senior van rider fees	2,000	2,000	852	(1,148)	759
Building inspections	18,000	18,000	28,465	10,465	30,990
Plumbing inspections	9,000	9,000	12,695	3,695	18,410
Electrical inspections	1,000	1,000	925	(75)	140
Public hearing	5,000	5,000	6,300	1,300	3,900
Total charges for services	152,000	152,000	139,069	(12,931)	65,038
Fines	136,000	136,000	156,640	20,640	115,848
Interest	1,400	1,400	1,246	(154)	1,289
Activity fund revenue	-	-	75,011	75,011	126,460
Other revenues:					
Miscellaneous revenue	64,162	64,162	99,363	35,201	56,867
Developer reimbursements	1,053,016	1,053,016	610,785	(442,231)	171,745
Other reimbursements	213,092	213,092	219,485	6,393	148,155
Sale of vehicles/equipment	35,000	35,000	2,828	(32,172)	-
Total other revenues	1,365,270	1,365,270	932,461	(432,809)	376,767
Total revenues	14,204,756	14,204,756	15,315,273	1,110,517	12,572,162

CITY OF MORRIS, ILLINOIS  
GENERAL FUND

SCHEDULE A-1  
(CONTINUED)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Total revenues (carried forward)	\$ 14,204,756	14,204,756	15,315,273	1,110,517	12,572,162
Expenditures:					
Current:					
General government	4,310,315	4,310,315	4,401,816	91,501	3,174,565
Public safety	5,426,125	5,406,625	4,852,050	(554,575)	4,754,077
Transportation & public works	2,749,532	2,749,532	2,289,822	(459,710)	2,233,327
Culture and recreation	769,714	769,714	547,931	(221,783)	447,842
Employee retirement costs	1,304,327	1,304,327	1,304,327	-	1,258,390
Capital outlay	1,028,400	1,047,900	562,275	(485,625)	526,088
Total expenditures	15,588,413	15,588,413	13,958,221	(1,630,192)	12,394,289
Excess of revenue over (under) expenditures	(1,383,657)	(1,383,657)	1,357,052	2,740,709	177,873
Other financing sources (uses):					
Transfers out	(1,378,016)	(1,378,016)	(100,000)	(1,278,016)	-
Total other financing sources (uses)	(1,378,016)	(1,378,016)	(100,000)	(1,278,016)	-
Changes in fund balance	\$ (2,761,673)	(2,761,673)	1,257,052	4,018,725	177,873
Fund balance, beginning of year			6,045,805		5,867,601
Adjustment to include agency funds			-		331
Fund balance, end of year			7,302,857		6,045,805

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Property tax	\$ 5,546,796	5,546,796	5,250,460	(296,336)	5,282,663
Interest:					
CBTDP LLC	-	-	-	-	9,605
Principal:					
CBTDP LLC	-	-	-	-	491,755
Interest income	10,000	10,000	4,713	(5,287)	9,315
Developer Reimbursement	-	-	-	-	35,951
Miscellaneous income	500	500	8,421	7,921	19,114
<b>Total revenues</b>	<b>5,557,296</b>	<b>5,557,296</b>	<b>5,263,594</b>	<b>(293,702)</b>	<b>5,848,403</b>
Expenditures:					
General government:					
Business Development Director	-	-	15,451	15,451	-
Community Affairs	-	-	571	571	-
Health Insurance	-	-	7,106	7,106	-
Dental & Vision	-	-	327	327	-
Life Insurance	-	-	35	35	-
Accounting services	1,000	1,000	-	(1,000)	-
Engineering services	575,000	511,600	150,604	(360,996)	212,504
Legal services	100,000	100,000	11,912	(88,088)	44,003
Other professional services	70,000	70,000	13,814	(56,186)	16,861
Miscellaneous expenses	5,000	5,000	-	(5,000)	80
<b>Total general government</b>	<b>751,000</b>	<b>687,600</b>	<b>199,820</b>	<b>(487,780)</b>	<b>273,448</b>
Community development:					
Loan/grant distributions	50,000	50,000	-	(50,000)	44,230
TIF reimbursement	3,328,078	3,328,078	3,150,276	(177,802)	2,641,332
<b>Total community development</b>	<b>3,378,078</b>	<b>3,378,078</b>	<b>3,150,276</b>	<b>(227,802)</b>	<b>2,685,562</b>
Capital outlay:					
Land purchases	2,275	2,275	1,500	(775)	-
Parks improvements	25,000	83,000	82,830	(170)	2,547
Building construction	530,000	530,000	490,369	(39,631)	143,662
Demolition of buildings	1,000	1,000	-	(1,000)	-
Bulk fuel storage facility	30,000	30,000	17,758	(12,242)	3,839
Sewerage treatment plant	2,700,000	2,700,000	1,713,114	(986,886)	1,159,059
Swimming pool/tennis courts	5,000	5,000	-	(5,000)	-
Equipment	230,000	230,000	256,908	26,908	134,281
Water system improvement	460,000	460,000	75,230	(384,770)	54,282
Water tower improvements	1,000	6,400	6,400	-	-
Sanitary sewer systems	5,000	5,000	-	(5,000)	-
Street construction	150,000	150,000	15,296	(134,704)	24,562
Storm sewer construction	5,000	5,000	-	(5,000)	-
Street lighting improvement	35,000	35,000	7,125	(27,875)	11,390
Traffic signals	92,932	92,932	18,454	(74,478)	75,015
Off street parking	45,000	45,000	-	(45,000)	-
Downtown development	25,000	25,000	6,221	(18,779)	5,364
<b>Total capital outlay</b>	<b>4,342,207</b>	<b>4,405,607</b>	<b>2,691,205</b>	<b>(1,714,402)</b>	<b>1,614,001</b>
Provision for contingency	100,000	100,000	-	(100,000)	-
<b>Total expenditures</b>	<b>8,571,285</b>	<b>8,571,285</b>	<b>6,041,301</b>	<b>(2,529,984)</b>	<b>4,573,011</b>



CITY OF MORRIS, ILLINOIS  
TAX INCREMENT FINANCING FUND I

SCHEDULE A-2  
(Continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Excess of revenue over (under) expenditures	(3,013,989)	(3,013,989)	(777,707)	2,236,282	1,275,392
Other financing sources (uses): Transfers to Marina TIF Fund	(1,755,000)	(1,755,000)	(300,000)	1,455,000	(300,000)
Changes in fund balances	<u>\$ (4,768,989)</u>	<u>(4,768,989)</u>	(1,077,707)	<u>3,691,282</u>	975,392
Fund balance, beginning of year			<u>4,967,437</u>		<u>3,992,045</u>
Fund balance, end of year			<u>3,889,730</u>		<u>4,967,437</u>

**CITY OF MORRIS, ILLINOIS  
MARINA TAX INCREMENT FINANCING FUND**

**SCHEDULE A-3**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Property tax	\$ 16,627	16,627	23,109	6,482	15,835
Interest income	20,000	20,000	1,970	(18,030)	7,207
Miscellaneous income	-	-	37,694	37,694	-
<b>Total revenues</b>	<b>36,627</b>	<b>36,627</b>	<b>62,773</b>	<b>26,146</b>	<b>23,042</b>
Expenditures:					
General government:					
Accounting services	1,000	1,000	-	(1,000)	-
Engineering services	525,000	462,100	358,969	(103,131)	-
Other professional services	10,000	37,500	37,048	(452)	5,660
Miscellaneous expenses	1,000	2,100	34,074	31,974	-
<b>Total general government</b>	<b>537,000</b>	<b>502,700</b>	<b>430,091</b>	<b>(72,609)</b>	<b>5,660</b>
Environment:					
Legal services	75,000	75,000	27,128	(47,872)	11,260
CLC closure expenses	1,700,000	1,700,000	242,789	(1,457,211)	260,949
<b>Total environment</b>	<b>1,775,000</b>	<b>1,775,000</b>	<b>269,917</b>	<b>(1,505,083)</b>	<b>272,209</b>
Community development:					
TIF reimbursement	5,988	6,988	6,933	(55)	4,750
TIF loan distribution	1,000	2,000	-	(2,000)	-
<b>Total community development</b>	<b>6,988</b>	<b>8,988</b>	<b>6,933</b>	<b>(2,055)</b>	<b>4,750</b>
Capital outlay:					
Land purchases	1,000	7,700	7,690	(10)	837
Building construction	270,000	270,000	-	(270,000)	2,436
Demolition of buildings	1,000	1,000	-	(1,000)	68,002
Sewerage treatment plant	170,000	170,000	35,093	(134,907)	8,255
Equipment	1,000	26,600	26,537	(63)	-
Water system	100,000	100,000	10,578	(89,422)	30,430
Water tower	25,000	25,000	-	(25,000)	-
Sanitary sewer systems	1,000	1,000	-	(1,000)	-
Street construction	1,000	1,000	-	(1,000)	-
Storm sewer construction	1,000	1,000	-	(1,000)	-
Street lighting improvement	1,000	1,000	-	(1,000)	-
<b>Total capital outlay</b>	<b>572,000</b>	<b>604,300</b>	<b>79,898</b>	<b>(524,402)</b>	<b>109,960</b>
Provision for contingency	1,000	1,000	-	(1,000)	-
<b>Total expenditures</b>	<b>2,891,988</b>	<b>2,891,988</b>	<b>786,839</b>	<b>(2,105,149)</b>	<b>392,579</b>
Excess of revenue over (under) expenditures	<u>(2,855,361)</u>	<u>(2,855,361)</u>	<u>(724,066)</u>	<u>2,131,295</u>	<u>(369,537)</u>
Other financing sources (uses):					
Transfers from TIF I Fund	<u>1,755,000</u>	<u>1,755,000</u>	<u>300,000</u>	<u>(1,455,000)</u>	<u>300,000</u>
<b>Changes in fund balances</b>	<b><u>\$ (1,100,361)</u></b>	<b><u>(1,100,361)</u></b>	<b><u>(424,066)</u></b>	<b><u>676,295</u></b>	<b><u>(69,537)</u></b>
Fund balances, beginning of year			<u>2,097,414</u>		<u>2,166,951</u>
Fund balances, end of year			<u><u>1,673,348</u></u>		<u><u>2,097,414</u></u>

**Required Supplementary Information**  
**Illinois Municipal Retirement Fund - Regular Plan**  
**Multiyear Schedule of Changes in the City's Net Pension Liability and Related Ratios\***

	Calendar Year Ended December 31,						
	2021	2020	2019	2018	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>							
Service cost	\$ 336,865	331,547	338,662	313,358	323,518	326,423	332,089
Interest on the total pension liability	1,426,104	1,348,997	1,295,073	1,261,016	1,215,723	1,193,706	1,154,965
Benefit changes	-	-	-	-	-	-	-
Differences between expected and actual experience	304,327	139,616	(269,929)	(452,470)	89,552	(535,715)	(289,758)
Assumption changes	-	(80,971)	-	477,752	(498,711)	(39,276)	20,234
Benefit payments and refunds	(739,010)	(617,605)	(615,350)	(510,196)	(531,981)	(853,392)	(498,912)
Net Change in Total Pension Liability	1,328,286	1,121,584	748,456	1,089,460	598,101	91,746	718,618
Total Pension Liability - Beginning	19,871,466	18,749,882	18,001,426	16,911,966	16,313,865	16,222,119	15,503,501
Total Pension Liability - Ending (a)	<u>\$ 21,199,752</u>	<u>19,871,466</u>	<u>18,749,882</u>	<u>18,001,426</u>	<u>16,911,966</u>	<u>16,313,865</u>	<u>16,222,119</u>
<b>PLAN FIDUCIARY NET POSITION</b>							
Employer contributions	\$ 386,260	354,118	276,400	342,092	367,818	361,233	343,572
Employee contributions	156,014	148,652	143,461	142,275	155,955	128,200	129,538
Pension Plan Net Investment Income	3,284,382	2,453,983	2,686,531	(713,029)	2,445,736	948,357	70,089
Benefit Payments and Refunds	(739,010)	(617,605)	(615,350)	(510,196)	(531,981)	(853,392)	(498,912)
Other	114,358	83,598	73,265	(609,588)	(151,903)	165,739	(260,055)
Net Change in Plan Fiduciary Net Position	3,202,004	2,422,746	2,564,307	(1,348,446)	2,285,625	750,137	(215,768)
Plan Fiduciary Net Position - Beginning	20,489,385	18,066,639	15,502,332	16,850,778	14,565,153	13,815,016	14,030,784
Plan Fiduciary Net Position - Ending (b)	<u>\$ 23,691,389</u>	<u>20,489,385</u>	<u>18,066,639</u>	<u>15,502,332</u>	<u>16,850,778</u>	<u>14,565,153</u>	<u>13,815,016</u>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)</b>	<b><u>\$ (2,491,637)</u></b>	<b><u>(617,919)</u></b>	<b><u>683,243</u></b>	<b><u>2,499,094</u></b>	<b><u>61,188</u></b>	<b><u>1,748,712</u></b>	<b><u>2,407,103</u></b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	111.75%	103.11%	96.36%	86.12%	99.64%	89.28%	85.16%
Covered Valuation Payroll	\$ 3,466,952	3,303,341	3,187,998	3,161,676	3,014,910	2,848,846	2,853,592
Net Pension Liability as a Percentage of Covered Valuation Payroll	-71.87%	-18.71%	21.43%	79.04%	2.03%	61.38%	84.35%

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

**Required Supplementary Information  
Illinois Municipal Retirement Fund  
Multiyear Schedule of City Contributions\***

Calendar Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 352,242	386,260	(34,018)	3,466,952	11.14%
2020	354,118	354,118	-	3,303,341	10.72%
2019	276,399	276,400	(1)	3,187,998	8.67%
2018	342,093	342,092	1	3,161,676	10.82%
2017	367,819	367,818	1	3,014,910	12.20%
2016	361,234	361,233	1	2,848,846	12.68%
2015	343,572	343,572	-	2,853,592	12.04%

**Notes to Schedule:**

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine 2021 contribution rate:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10 year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 22-year closed period Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 17 years for most employers (five employers were financed over 18 years; one employer was financed over 19 years; two employers were financed over 20 years; three employers were financed over 26 years; four employers were financed over 27 years; and one employer was financed over 28 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.25%
Inflation	2.50%
Salary increases	3.35% to 14.25% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.

Mortality For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes There were no benefit changes during the year.

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

## Required Supplementary Information

## Police Pension Fund

## Multiyear Schedule of Changes in the City's Net Pension Liability and Related Ratios\*

	Year Ended April 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>								
Service Cost	\$ 542,104	530,667	522,376	521,843	494,988	462,606	527,656	476,599
Interest	1,902,377	1,884,373	1,802,222	1,711,831	1,630,422	1,610,743	1,425,267	1,263,077
Changes of benefit terms	-	-	101,138	-	-	-	-	-
Difference between expected and actual experience	(761,910)	(301,307)	255,193	139,383	51,603	276,567	(133,043)	(142,339)
Changes of assumptions	-	-	(93,964)	-	-	(1,144,868)	1,615,620	1,396,152
Benefit payments, including refunds of employee contributions	(1,415,343)	(1,156,256)	(1,148,540)	(1,014,960)	(1,013,106)	(834,742)	(736,933)	(616,037)
Net Change in Total Pension Liability	267,228	957,477	1,438,425	1,358,097	1,163,907	370,306	2,698,567	2,377,452
Total Fiduciary Pension Liability - Beginning	28,716,202	27,758,725	26,320,300	24,962,203	23,798,296	23,427,990	20,729,423	18,351,971
Total Fiduciary Pension Liability - Ending (a)	\$ 28,983,430	28,716,202	27,758,725	26,320,300	24,962,203	23,798,296	23,427,990	20,729,423
<b>PLAN FIDUCIARY NET POSITION</b>								
Contributions - employer	\$ 1,304,327	1,258,390	1,219,594	1,142,652	1,085,076	850,349	695,513	695,513
Contributions - employee	256,132	226,195	212,683	199,079	188,881	194,448	184,586	193,488
Net investment income	(49,689)	3,611,144	363,699	1,122,081	716,561	1,149,275	103,727	671,503
Benefit payments, including refunds of employee contributions	(1,415,343)	(1,156,256)	(1,148,540)	(1,014,960)	(1,013,106)	(834,742)	(736,933)	(616,037)
Administrative expense	(18,316)	(18,428)	(27,662)	(32,614)	(21,571)	(12,106)	(13,833)	(12,384)
Net Change in Plan Fiduciary Net Position	77,111	3,921,045	619,774	1,416,238	955,841	1,347,224	233,060	932,083
Plan Fiduciary Net Position - Beginning	20,536,328	16,615,283	15,995,509	14,579,271	13,623,430	12,276,206	12,043,146	11,111,063
Plan Fiduciary Net Position - Ending (b)	\$ 20,613,439	20,536,328	16,615,283	15,995,509	14,579,271	13,623,430	12,276,206	12,043,146
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)</b>	<b>\$ 8,369,991</b>	<b>8,179,874</b>	<b>11,143,442</b>	<b>10,324,791</b>	<b>10,382,932</b>	<b>10,174,866</b>	<b>11,151,784</b>	<b>8,686,277</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	71.12%	71.51%	59.86%	60.77%	58.41%	57.25%	52.40%	58.10%
Covered Valuation Payroll	\$ 2,339,019	2,265,394	2,135,662	2,008,053	1,990,599	1,927,941	1,887,973	1,931,530
Net Pension Liability as a Percentage of Covered Valuation Payroll	357.84%	361.08%	521.78%	514.17%	521.60%	527.76%	590.67%	449.71%

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

**Required Supplementary Information  
Police Pension Fund  
Multiyear Schedule of City Contributions\***

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 1,304,327	1,304,327	-	2,339,019	55.76%
2021	1,258,390	1,258,390	-	2,265,394	55.55%
2020	1,219,594	1,219,594	-	2,135,662	57.11%
2019	1,142,652	1,142,652	-	2,008,053	56.90%
2018	1,085,076	1,085,076	-	1,990,599	54.51%
2017	850,349	850,349	-	1,927,941	44.11%
2016	695,513	695,513	-	1,887,973	36.84%
2015	658,445	658,445	-	1,931,530	34.09%

**Notes to Schedule:**

Valuation Date: Actuarially determined contribution rates are calculated as of April 30 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine 2022 contribution rate:

Actuarial cost method	Entry age normal
Amortization method	Level percent of pay (closed)
Remaining amortization period	100% funded, 13.07 Years (Layered)
Asset valuation method	5-year smoothed market value
Price inflation	2.25%
Salary increases	2.25%-11.51%
Investment rate of return	7.00%
Retirement age	Lauterbach & Amen 2020 Illinois police retirement rates capped at age 65
Disability / withdrawal rates	Lauterbach & Amen 2020 Illinois police disability rates
Married participants	80% married; female spouses assumed 3 years younger
Mortality - active members	Sex-distinct raw rates as developed in the PubS-2010(A) study. These rates are improved generationally using MP-2019 improvement rates.
Mortality - non-disabled retirees	L&A assumption study for police 2020. These rates are experience-weighted with the raw rates as developed in the PubS-2010(A) study and improved generationally using MP-2019 improvement rates.
Mortality - disabled retirees	Sex-distinct raw rates as developed in the PubS-2010(A) study. These rates are improved generationally using MP-2019 improvement rates.
Mortality - spouse	Sex-distinct raw rates as developed in the PubS-2010(A) study. These rates are improved generationally using MP-2019 improvement rates.
Other information	There were no benefit changes during the year.

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

**Required Supplementary Information**  
**Other Postemployment Benefit Plan**  
**Multiyear Schedule of Changes in the City's Net OPEB Liability and Related Ratios\***

	Year Ended April 30,			
	2022	2021	2020	2019
<b>TOTAL OPEB LIABILITY</b>				
Service Cost	\$ 37,615	33,711	25,601	23,957
Interest	47,255	51,298	64,184	66,845
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	(5,535)	-	-
Changes of assumptions	(313,885)	100,865	332,251	28,549
Benefit payments, including refunds of employee contributions	(89,248)	(115,655)	(108,367)	(110,249)
Net Change in Total OPEB Liability	(318,263)	64,684	313,669	9,102
Total OPEB Liability - Beginning	2,126,359	2,061,675	1,748,006	1,738,904
Total OPEB Liability - Ending (a)	<u>\$ 1,808,096</u>	<u>2,126,359</u>	<u>2,061,675</u>	<u>1,748,006</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 89,248	115,655	108,367	110,249
Contributions - employee	-	-	-	-
Net investment income	-	-	-	-
Benefit payments, including refunds of employee contributions	(89,248)	(115,655)	(108,367)	(110,249)
Administrative expense	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EMPLOYER'S NET OPEB LIABILITY (ASSET) (a-b)</b>	<u>\$ 1,808,096</u>	<u>2,126,359</u>	<u>2,061,675</u>	<u>1,748,006</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered Valuation Payroll	\$ 6,355,506	5,394,079	5,724,584	5,571,371
Net OPEB Liability as a Percentage of Covered Valuation Payroll	28.45%	39.42%	36.01%	31.37%

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

**Required Supplementary Information  
Other Postemployment Benefit Plan  
Multiyear Schedule of City Contributions\***

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	N/A	-	N/A	\$ 6,355,506	0.00%
2021	N/A	-	N/A	5,394,079	0.00%
2020	N/A	-	N/A	5,724,584	0.00%
2019	N/A	-	N/A	5,571,371	0.00%

**Note to Schedule:**

There is no actuarially determined contribution (ADC) or Employer Contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB liability. However, the City did make contributions from other City resources in the current year in the amount of \$89,248.

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



***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION***

**Notes to Required Supplementary Information  
For the Year Ended April 30, 2022**

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**NOTE 1: BUDGETS AND BUDGETARY ACCOUNTING**

The City adopted the Municipal Budget Act on March 14, 1983. Consequently, the City follows these procedures in establishing the budgetary data reflected in the required supplementary information:

1. Prior to the beginning of the fiscal year, the City Budget Officer submits to the City Council a tentative annual budget ordinance for the fiscal year commencing May 1<sup>st</sup>. The aforementioned ordinance includes proposed expenditures and the means of financing them. Copies of the tentative annual budget ordinance are made available for public inspection in printed or type-written form in the office of the City Clerk for at least ten days prior to the passage.
2. Prior to May 1<sup>st</sup>, the annual budget is legally adopted through the passage of an ordinance.
3. The City Budget Officer is authorized to transfer from any budgeted line item with anticipated unexpended funds to any other budgeted line item within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
4. Formal budgetary integration in the form of legally adopted budgets is employed as a management control device for all funds, excluding trust and agency fund types.
5. Budgeted amounts were originally adopted by the City Council on April 19, 2021. The budget was amended on August 15, 2022.

**NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS – MAJOR FUNDS**

None of the City's major funds had expenditures in excess of appropriations for the year ended April 30, 2022.

**NOTE 3: PENSIONS**

**Police Pension**

*Changes of Assumptions*

For measurement date April 30, 2022, amounts reported as changes of assumptions resulted from the following changes:

- The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 2.27% to 3.21% for the current year.
- The discount rate used in the determination of the total Pension Liability remained unchanged at 7.00%.
- A comprehensive study of Police Officers and Police Pension Funds in Illinois was performed, resulting in changes to various assumptions to better reflect the future anticipated experience of the Plan.

***OTHER SUPPLEMENTARY INFORMATION***

CITY OF MORRIS, ILLINOIS  
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-1

Combining Balance Sheet  
April 30, 2022  
(With Comparative Figures for April 30, 2021)

	Total Non-major Governmental Funds		Special Revenue Funds			
	2022	2021	Illinois Municipal Retirement Fund	Motor Fuel Tax Fund	Sanitary Landfill Contingency Fund	West Route 6 Special Assessment Fund
<u>Assets</u>						
Cash and cash equivalents	\$ 5,363,429	3,949,491	384,170	2,861,460	269,652	10,812
Receivables:	-					
Property taxes	625,856	624,757	625,856	-	-	-
Other taxes	96,894	69,808	28,372	45,757	-	-
Total assets	<u>\$ 6,086,179</u>	<u>4,644,056</u>	<u>1,038,398</u>	<u>2,907,217</u>	<u>269,652</u>	<u>10,812</u>
<u>Liabilities</u>						
Accrued expenses	\$ 38,953	7,313	15,981	-	-	-
<u>Deferred Inflows of Resources</u>						
Property taxes levied for subsequent years	625,856	624,757	625,856	-	-	-
Total deferred inflows of resources	<u>625,856</u>	<u>624,757</u>	<u>625,856</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>						
Restricted	5,421,370	4,011,986	396,561	2,907,217	269,652	10,812
Total liabilities, deferred inflows, and fund balances	<u>\$ 6,086,179</u>	<u>4,644,056</u>	<u>1,038,398</u>	<u>2,907,217</u>	<u>269,652</u>	<u>10,812</u>

CITY OF MORRIS, ILLINOIS  
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-1  
(CONTINUED)

Combining Balance Sheet  
April 30, 2022  
(With Comparative Figures for April 30, 2021)

		Special Revenue Funds					
		Park and Civic Improvements Fund	Solid Waste Tax Fund	Motel Tax Fund	Drug Fine and Forfeiture Fund	American Recovery Plan Act Fund	Police Seizure and Forfeiture Fund
<u>Assets</u>							
Cash and cash equivalents		\$ 78,694	272,179	319,659	119,062	1,025,845	21,896
Receivables:							
Property taxes		-	-	-	-	-	-
Other taxes		-	-	22,765	-	-	-
Total assets		<u>\$ 78,694</u>	<u>272,179</u>	<u>342,424</u>	<u>119,062</u>	<u>1,025,845</u>	<u>21,896</u>
<u>Liabilities</u>							
Accrued expenses		\$ -	22,320	652	-	-	-
<u>Deferred Inflows of Resources</u>							
Property taxes levied for subsequent years		-	-	-	-	-	-
Total deferred inflows of resources		-	-	-	-	-	-
<u>Fund Balances</u>							
Restricted		78,694	249,859	341,772	119,062	1,025,845	21,896
Total liabilities, deferred inflows, and fund balances		<u>\$ 78,694</u>	<u>272,179</u>	<u>342,424</u>	<u>119,062</u>	<u>1,025,845</u>	<u>21,896</u>

CITY OF MORRIS, ILLINOIS  
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	Totals		Special Revenue Funds			
			Illinois Municipal Retirement Fund	Motor Fuel Tax Fund	Sanitary Landfill Contingency Board Fund	West Route 6 Special Assessment Fund
	2022	2021				
Revenues:						
Property taxes	\$ 589,219	637,424	589,219	-	-	-
Other local taxes	447,046	246,205	119,341	-	-	-
Intergovernmental	565,073	519,290	-	565,073	-	-
Grants	1,323,796	449,333	-	299,555	-	-
Fines	34,200	30,336	-	-	-	-
Donations	74,851	-	-	-	-	-
Interest income	3,836	1,812	214	1,515	135	4
Miscellaneous	5,000	11,170	-	-	-	-
Total revenues	3,043,021	1,895,570	708,774	866,143	135	4
Expenditures:						
Current:						
General Government	22,917	-	-	-	-	-
Public safety	15,841	13,366	-	-	-	-
Transportation and public service	170,101	49,287	-	170,101	-	-
Culture and recreation	250,252	124,858	-	-	-	-
Environment	25,701	2,179	-	-	-	-
Employee retirement costs	695,071	703,785	695,071	-	-	-
Capital outlay	453,754	359,615	-	292,089	-	-
Total expenditures	1,633,637	1,253,090	695,071	462,190	-	-
Excess (deficiency) of revenues over (under) expenditures	1,409,384	642,480	13,703	403,953	135	4
Fund balance, beginning of year	4,011,986	3,369,506	382,858	2,503,264	269,517	10,808
Fund balance, end of year	\$ 5,421,370	4,011,986	396,561	2,907,217	269,652	10,812

CITY OF MORRIS, ILLINOIS  
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-2  
(CONTINUED)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	Special Revenue Funds					
	Parks and Civic Improvements Fund	Solid Waste Tax Fund	Motel Tax Fund	Drug Fine and Forfeiture Fund	American Recovery Plan Act Fund	Police Seizure and Forfeiture Fund
Revenues:						
Property taxes	\$ -	-	-	-	-	-
Other local taxes	-	-	327,705	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants	-	-	-	-	1,024,241	-
Fines	4,392	-	-	24,069	-	5,739
Donations	74,851	-	-	-	-	-
Interest income	43	148	108	65	1,604	-
Miscellaneous	-	-	5,000	-	-	-
Total revenues	79,286	148	332,813	24,134	1,025,845	5,739
Expenditures:						
Current:						
General Government	-	-	22,917	-	-	-
Public safety	-	-	-	15,841	-	-
Transportation and public service	-	-	-	-	-	-
Culture and recreation	1,000	-	249,252	-	-	-
Environment	-	25,701	-	-	-	-
Employee retirement costs	-	-	-	-	-	-
Capital outlay	112,007	23,540	6,387	19,731	-	-
Total expenditures	113,007	49,241	278,556	35,572	-	-
Excess (deficiency) of revenues over (under) expenditures	(33,721)	(49,093)	54,257	(11,438)	1,025,845	5,739
Net change in fund balance	(33,721)	(49,093)	54,257	(11,438)	1,025,845	5,739
Fund balance, beginning of year	112,415	298,952	287,515	130,500	-	16,157
Fund balance, end of year	\$ 78,694	249,859	341,772	119,062	1,025,845	21,896

**CITY OF MORRIS, ILLINOIS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

SCHEDULE C-3

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Property taxes	\$ 624,750	624,750	589,219	(35,531)	637,424
Replacement income taxes	34,339	34,339	119,341	85,002	60,912
Interest income	200	200	214	14	240
Total revenues	<u>659,289</u>	<u>659,289</u>	<u>708,774</u>	<u>49,485</u>	<u>698,576</u>
Expenditures:					
Personnel:					
Social security contribution	260,000	260,000	251,073	8,927	227,912
Medicare contribution	104,600	104,600	99,617	4,983	91,091
IMRF contribution	400,000	400,000	344,381	55,619	384,782
Total expenditures	<u>764,600</u>	<u>764,600</u>	<u>695,071</u>	<u>69,529</u>	<u>703,785</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (105,311)</u>	<u>(105,311)</u>	13,703	<u>119,014</u>	(5,209)
Fund balance, beginning of year			<u>382,858</u>		<u>388,067</u>
Fund balance, end of year			<u>396,561</u>		<u>382,858</u>



**CITY OF MORRIS, ILLINOIS**  
**MOTOR FUEL TAX FUND**

SCHEDULE C-4

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Year Ended April 30, 2022**  
**(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Motor fuel tax allotment	\$ 495,000	495,000	543,595	48,595	488,224
High growth allotment	10,000	10,000	21,478	11,478	31,066
Rebuild Illinois grant	1,227,571	1,227,571	299,555	(928,016)	449,333
Interest income	1,010	1,010	1,515	505	1,049
Total revenues	<u>1,733,581</u>	<u>1,733,581</u>	<u>866,143</u>	<u>(867,438)</u>	<u>969,672</u>
Expenditures:					
Contractual services:					
Engineering	200,000	200,000	170,101	(29,899)	49,287
Commodities:					
Maintenance - streets	10,000	10,000	-	(10,000)	-
Maintenance - sidewalks	10,000	10,000	-	(10,000)	-
Capital outlay					
Improvements - streets	2,300,000	2,300,000	292,089	(2,007,911)	344,103
Improvements - bridges	10,000	10,000	-	(10,000)	-
Storm sewer construction	10,000	10,000	-	(10,000)	-
Total expenditures	<u>2,540,000</u>	<u>2,540,000</u>	<u>462,190</u>	<u>(2,077,810)</u>	<u>393,390</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (806,419)</u>	<u>(806,419)</u>	403,953	<u>1,210,372</u>	576,282
Fund balance, beginning of year			<u>2,503,264</u>		<u>1,926,982</u>
Fund balance, end of year			<u>2,907,217</u>		<u>2,503,264</u>

**CITY OF MORRIS, ILLINOIS  
SANITARY LANDFILL CONTINGENCY FUND**

SCHEDULE C-5

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022				2021
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Interest income	\$ 140	140	135	(5)	134
Total revenues	140	140	135	(5)	134
Expenditures:					
Contractual services:					
Engineering services	1,000	1,000	-	(1,000)	-
Legal service	25,000	25,000	-	(25,000)	-
Other professional services	1,000	1,000	-	(1,000)	-
Other expenditures:					
Miscellaneous expense	1,000	1,000	-	(1,000)	-
Capital outlay:					
Landfill closure costs	200,000	200,000	-	(200,000)	3,928
Total expenditures	228,000	228,000	-	(228,000)	3,928
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (227,860)</u>	<u>(227,860)</u>	135	<u>227,995</u>	(3,794)
Fund balance, beginning of year			<u>269,517</u>		<u>273,311</u>
Fund balance, end of year			<u>269,652</u>		<u>269,517</u>

**CITY OF MORRIS, ILLINOIS  
WEST ROUTE 6 SPECIAL ASSESSMENT FUND**

SCHEDULE C-6

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022				2021
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Acreage fees	\$ 2,000	2,000	-	(2,000)	-
Interest income	5	5	4	(1)	5
Miscellaneous income	2,000	2,000	-	(2,000)	-
Total revenues	4,005	4,005	4	(4,001)	5
Expenditures:					
Other expenditures:					
Engineering services	2,500	2,500	-	(2,500)	-
Improvements	7,500	7,500	-	(7,500)	-
Miscellaneous expense	2,500	2,500	-	(2,500)	-
Total expenditures	12,500	12,500	-	(12,500)	-
Excess (deficiency) of revenues over (under) expenditures	\$ (8,495)	(8,495)	4	8,499	5
Fund balance, beginning of year			10,808		10,803
Fund balance, end of year			10,812		10,808

**CITY OF MORRIS, ILLINOIS**  
**PARK AND CIVIC IMPROVEMENTS FUND**

SCHEDULE C-7

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Year Ended April 30, 2022**  
**(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Park site zoning fees	\$ 6,000	6,000	4,392	(1,608)	6,070
Donations	-	-	74,851	74,851	-
Miscellaneous income	50	50	-	(50)	-
Interest income	60	60	43	(17)	56
Total revenues	6,110	6,110	79,286	73,176	6,126
Expenditures:					
Contractual services:					
Engineering services	10,000	-	-	-	-
Legal services	2,000	-	-	-	-
Other professional services	2,000	-	-	-	-
Printing/publishing	1,000	1,000	-	(1,000)	-
Other expenditures:					
Miscellaneous donations	1,000	1,000	1,000	-	-
Miscellaneous expense	5,000	1,000	-	(1,000)	-
Capital outlay:					
Land purchase & improv.	70,000	113,000	112,007	(993)	4,800
Civic & safety improvements	10,000	-	-	-	-
Building construction	15,000	-	-	-	-
Total expenditures	116,000	116,000	113,007	(2,993)	4,800
Excess (deficiency) of revenues over (under) expenditures	\$ (109,890)	(109,890)	(33,721)	76,169	1,326
Fund balance, beginning of year			112,415		111,089
Fund balance, end of year			78,694		112,415

**CITY OF MORRIS, ILLINOIS  
SOLID WASTE TAX FUND**

SCHEDULE C-8

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Interest income	\$ 155	155	148	(7)	150
Total revenues	155	155	148	(7)	150
Expenditures:					
Contractual services:					
Engineering services	1,000	1,000	-	(1,000)	-
Legal services	25,000	25,000	-	(25,000)	-
Other professional services	1,000	1,000	-	(1,000)	-
Recycling expenses	50,000	50,000	25,561	(24,439)	2,039
Other expenditures:					
Miscellaneous expense	1,000	1,000	140	(860)	140
Capital outlay:					
Landfill well monitoring	50,000	50,000	23,540	(26,460)	-
Landfill closure costs	150,000	150,000	-	(150,000)	-
Total expenditures	278,000	278,000	49,241	(228,759)	2,179
Excess (deficiency) of revenues over (under) expenditures	\$ (277,845)	(277,845)	(49,093)	228,752	(2,029)
Fund balance, beginning of year			298,952		300,981
Fund balance, end of year			249,859		298,952

**CITY OF MORRIS, ILLINOIS**  
**MOTEL TAX FUND**

SCHEDULE C-9

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Year Ended April 30, 2022**  
**(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Motel taxes	\$ 250,000	250,000	327,705	77,705	185,293
Interest income	110	110	108	(2)	114
Miscellaneous income	5,000	5,000	5,000	-	5,000
Total revenues	255,110	255,110	332,813	77,703	190,407
Expenditures:					
General Government:					
Business Dev Director	-	-	15,450	15,450	-
Health	-	-	7,106	7,106	-
Dental and vision	-	-	327	327	-
Life	-	-	34	34	-
Contractual services:					
Other professional services	1,200	1,650	1,632	(18)	-
Printing/publishing	5,000	4,550	4,526	(24)	939
Other expenditures:					
Sponsorships & donations	190,000	202,000	201,939	(61)	116,000
City special events	30,000	30,000	19,625	(10,375)	2,834
Tourism expenses	25,000	25,000	21,530	(3,470)	4,395
Miscellaneous expenses	2,000	2,000	-	(2,000)	690
Capital outlay:					
Land purchases	1,000	1,000	-	(1,000)	1,663
Parks improvements	62,000	50,000	6,387	(43,613)	5,066
I&M canal improvements	1,000	1,000	-	(1,000)	-
Building improvements	1,000	1,000	-	(1,000)	-
Total expenditures	318,200	318,200	278,556	(39,644)	131,587
Excess (deficiency) of revenues over (under) expenditures	\$ (63,090)	(63,090)	54,257	117,347	58,820
Fund balance, beginning of year			287,515		228,695
Fund balance, end of year			341,772		287,515

**CITY OF MORRIS, ILLINOIS  
DRUG FINE AND FORFEITURE FUND**

SCHEDULE C-10

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Drug enforcement fees	\$ -	-	87	87	47
DUI equipment fees	15,000	15,000	18,732	3,732	14,219
Police vehicle equip fees	2,500	2,500	141	(2,359)	540
Failure to appear fines	2,500	2,500	3,710	1,210	2,730
E-Citation development fees	1,200	1,200	1,399	199	1,240
Interest income	50	50	65	15	64
Donations	200	200	-	(200)	100
Property and evidence cash	1,000	1,000	-	(1,000)	-
Sale of evidence	1,000	1,000	-	(1,000)	-
Miscellaneous income	1,000	1,000	-	(1,000)	-
<b>Total revenues</b>	<b>24,450</b>	<b>24,450</b>	<b>24,134</b>	<b>(316)</b>	<b>18,940</b>
Expenditures:					
Communications:					
Cell phone	2,500	2,500	1,600	(900)	800
Contractual services:					
Training/travel expense	2,500	2,500	1,983	(517)	-
Commodities:					
Maintenance supplies	2,000	2,000	-	(2,000)	-
DARE supplies	1,000	-	-	-	-
Other expenditures:					
Drug crime enforcement	15,000	11,000	10,661	(339)	8,185
DUI fund	1,000	1,000	-	(1,000)	-
Property/evidence payout	1,000	-	-	-	-
Miscellaneous expense	3,000	3,000	1,597	(1,403)	1,941
Capital outlay :					
Equipment	1,000	1,000	852	(148)	-
DUI equipment	3,000	500	91	(409)	55
E-citation expense	5,000	-	-	-	-
Vehicles	5,000	18,500	18,045	(455)	-
Communication equipment	1,000	1,000	743	(257)	-
<b>Total expenditures</b>	<b>43,000</b>	<b>43,000</b>	<b>35,572</b>	<b>(7,428)</b>	<b>10,981</b>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (18,550)</u>	<u>(18,550)</u>	(11,438)	<u>7,112</u>	7,959
Fund balance, beginning of year			<u>130,500</u>		<u>122,541</u>
Fund balance, end of year			<u>119,062</u>		<u>130,500</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 Year Ended April 30, 2022  
 (With Comparative Figures for the Year Ended April 30, 2021)

	2022				2021
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Grant	\$ -	-	1,024,241	1,024,241	-
Interest income	-	-	1,604	1,604	-
Total revenues	-	-	1,025,845	1,025,845	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	\$ -	-	1,025,845	1,025,845	-
Fund balance, beginning of year			-		-
Fund balance, end of year			1,025,845		-



**CITY OF MORRIS, ILLINOIS**  
**POLICE SEIZURE AND FORFEITURE FUND**

SCHEDULE C-12

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Year Ended April 30, 2022**  
**(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Seizure / asset forfeitures	\$ 50,000	50,000	5,739	(44,261)	11,560
Total revenues	50,000	50,000	5,739	(44,261)	11,560
Expenditures:					
IL State Police disbursement	50,000	50,000	-	(50,000)	2,440
Total expenditures	50,000	50,000	-	(50,000)	2,440
Excess (deficiency) of revenues over (under) expenditures	\$ -	-	5,739	5,739	9,120
Fund balance, beginning of year			16,157		7,037
Fund balance, end of year			21,896		16,157

**CITY OF MORRIS, ILLINOIS  
WATER AND SEWER FUNDS**

**SCHEDULE D-1**

**Combining Statement of Net Position  
April 30, 2022  
(With Comparative Figures for April 30, 2021)**

	Operations and Maintenance Fund	Capital Improvement Fund	Alternate Revenue Bond And Interest Fund	Totals	
				2022	2021
<u>Assets</u>					
Cash and cash equivalents	\$ 5,469,199	3,583,491	477	9,053,167	9,327,280
Water and sewer fee receivables (net)	70,269	-	-	70,269	93,101
Due from Capital Improvement Fund	4,100,000	-	-	4,100,000	-
Capital assets:					
Land	613,374	-	-	613,374	613,374
Construction in progress	217,883	2,078,517	-	2,296,400	1,423,578
Machinery and equipment	899,024	15,513	-	914,537	884,037
Vehicles	439,248	-	-	439,248	439,248
Infrastructure	48,911,064	822,211	-	49,733,275	45,624,543
Accumulated depreciation	(23,048,802)	(25,413)	-	(23,074,215)	(21,977,660)
Total assets	<u>37,671,259</u>	<u>6,474,319</u>	<u>477</u>	<u>44,146,055</u>	<u>36,427,501</u>
<u>Deferred Outflows of Resources</u>					
Asset retirement obligation	138,133	-	-	138,133	140,000
Deferred charge on refunding	-	-	194,909	194,909	237,357
	<u>138,133</u>	<u>-</u>	<u>194,909</u>	<u>333,042</u>	<u>377,357</u>
<u>Liabilities</u>					
Accounts payable and accrued expenses	79,648	143,426	-	223,074	83,728
Accrued interest payable	-	-	22,365	22,365	26,296
Due to Operations and Maintenance Fund	-	4,100,000	-	4,100,000	-
Long-term liabilities due within on year:					
Compensated absences	75,562	-	-	75,562	74,100
Alternate revenue bonds	-	-	485,000	485,000	475,000
Long term liabilities due in more than one year:					
Compensated absences	10,304	-	-	10,304	17,584
Asset retirement obligation	140,000	-	-	140,000	140,000
Alternate revenue bonds	-	-	2,069,172	2,069,172	2,560,525
Total liabilities	<u>305,514</u>	<u>4,243,426</u>	<u>2,576,537</u>	<u>7,125,477</u>	<u>3,377,233</u>
<u>Net Position</u>					
Net investment in capital assets	28,031,791	2,890,828	(2,554,172)	28,368,447	23,971,595
Restricted for:					
Public works capital projects	-	972,692	-	972,692	1,055,556
Debt service	-	-	173,021	173,021	214,996
Unrestricted	9,472,087	(1,632,627)	-	7,839,460	8,185,478
Total net position	<u>\$ 37,503,878</u>	<u>2,230,893</u>	<u>(2,381,151)</u>	<u>37,353,620</u>	<u>33,427,625</u>

**CITY OF MORRIS, ILLINOIS  
WATER AND SEWER FUNDS**

**STATEMENT D-2**

**Statement of Revenues, Expenses, and Changes in Fund Net Position  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)**

	Operations and Maintenance Fund	Capital Improvement Fund	Alternate Revenue Bond And Interest Fund	Total	
				2022	2021
Operating revenues:					
Water and sewer sales	\$ 5,658,767	-	-	5,658,767	5,526,132
Infrastructure acre fees	-	1,159,710	-	1,159,710	-
Tap on fees/meters	56,253	-	-	56,253	174,875
Miscellaneous revenue	94,947	-	-	94,947	68,773
<b>Total operating revenues</b>	<b>5,809,967</b>	<b>1,159,710</b>	<b>-</b>	<b>6,969,677</b>	<b>5,769,780</b>
Operating expenses:					
Personal services	1,464,895	193,191	-	1,658,086	1,429,796
Contractual services	1,091,344	-	-	1,091,344	1,267,318
Commodities	441,244	-	-	441,244	388,902
Capital outlay/maintenance	491,873	82,864	-	574,737	308,072
Depreciation	1,094,477	3,945	-	1,098,422	1,032,172
Other expenses	77,918	-	-	77,918	73,444
<b>Total operating expenses</b>	<b>4,661,751</b>	<b>280,000</b>	<b>-</b>	<b>4,941,751</b>	<b>4,499,704</b>
Operating income (loss)	1,148,216	879,710	-	2,027,926	1,270,076
Non-operating revenues (expenses):					
Bond service fees	-	-	(350)	(350)	(350)
State and federal grants	-	-	-	-	1,139,200
Capital contributed	1,982,874	-	-	1,982,874	1,129,126
Rental income	5,134	-	-	5,134	5,352
Interest income	5,190	493	2	5,685	9,566
Interest expense	-	-	(95,274)	(95,274)	(104,630)
<b>Total non-operating revenues (expenses)</b>	<b>1,993,198</b>	<b>493</b>	<b>(95,622)</b>	<b>1,898,069</b>	<b>2,178,264</b>
Income (loss) before transfers	3,141,414	880,203	(95,622)	3,925,995	3,448,340
Transfers among accounts	(545,000)	10,000	535,000	-	-
Change in net position	2,596,414	890,203	439,378	3,925,995	3,448,340
Net position, beginning of year	34,907,464	1,340,690	(2,820,529)	33,427,625	29,979,285
<b>Net position, end of year</b>	<b>\$ 37,503,878</b>	<b>2,230,893</b>	<b>(2,381,151)</b>	<b>37,353,620</b>	<b>33,427,625</b>

**CITY OF MORRIS, ILLINOIS  
WATER AND SEWER FUND - OPERATIONS AND MAINTENANCE ACCOUNT**

**SCHEDULE D-3**

**Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating revenues:					
Water and sewer sales	\$ 5,390,000	5,390,000	5,588,064	198,064	5,479,255
Waste disposal fees	75,000	75,000	70,653	(4,347)	46,877
Waste disposal license	50	50	50	-	-
Tap-on-fees	60,000	60,000	31,500	(28,500)	130,500
Meter sales	20,000	20,000	24,753	4,753	44,375
Rental income	-	-	5,134	5,134	5,352
Reimbursement	1,000	1,000	2,431	1,431	3,125
Miscellaneous income	80,000	80,000	92,516	12,516	65,648
<b>Total operating revenues</b>	<b>5,626,050</b>	<b>5,626,050</b>	<b>5,815,101</b>	<b>189,051</b>	<b>5,775,132</b>
Operating expenses:					
Personal services	1,740,053	1,737,853	1,464,895	(272,958)	1,429,297
Contractual services	1,669,000	1,702,500	1,091,344	(611,156)	1,267,318
Commodities	812,200	815,000	441,244	(373,756)	388,902
Capital outlay/maintenance	2,131,500	2,133,700	491,873	(1,641,827)	308,072
Depreciation	-	-	1,094,477	1,094,477	1,028,227
Other expenses	4,379,000	4,342,700	77,918	(4,264,782)	73,444
<b>Total operating expenses</b>	<b>10,731,753</b>	<b>10,731,753</b>	<b>4,661,751</b>	<b>(6,070,002)</b>	<b>4,495,260</b>
<b>Operating income (loss)</b>	<b>(5,105,703)</b>	<b>(5,105,703)</b>	<b>1,153,350</b>	<b>6,259,053</b>	<b>1,279,872</b>
Non-operating income (loss):					
Federal and state grants	2,000	2,000	-	(2,000)	1,139,200
Capital contributed	-	-	1,982,874	1,982,874	1,129,126
Interest income	9,000	9,000	5,190	(3,810)	9,154
<b>Total non-operating income (loss)</b>	<b>11,000</b>	<b>11,000</b>	<b>1,988,064</b>	<b>1,977,064</b>	<b>2,277,480</b>
<b>Income (loss) before transfers</b>	<b>(5,094,703)</b>	<b>(5,094,703)</b>	<b>3,141,414</b>	<b>8,236,117</b>	<b>3,557,352</b>
<b>Transfers in (out)</b>	<b>(558,000)</b>	<b>(558,000)</b>	<b>(545,000)</b>	<b>13,000</b>	<b>(540,000)</b>
<b>Change in net position</b>	<b>\$ (5,652,703)</b>	<b>(5,652,703)</b>	<b>2,596,414</b>	<b>8,249,117</b>	<b>3,017,352</b>
<b>Net position, beginning of year</b>			<b>34,907,464</b>		<b>31,890,112</b>
<b>Net position, end of year</b>			<b>37,503,878</b>		<b>34,907,464</b>

**CITY OF MORRIS, ILLINOIS  
WATER AND SEWER FUND - CAPITAL IMPROVEMENT ACCOUNT**

SCHEDULE D-4

**Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual		Actual
	Original	Final			
Operating revenues:					
Infrastructure acre fees	\$ 859,167	859,167	1,159,710	300,543	-
Total operating revenues	859,167	859,167	1,159,710	300,543	-
Operating expenses:					
Contractual services:					
Engineering services	500,000	500,000	192,653	(307,347)	-
Legal services	25,000	25,000	341	(24,659)	-
Other professional services	4,000	4,000	197	(3,803)	499
Capital outlay:					
STP improvements	2,000	2,000	-	(2,000)	-
WTP improvements	1,000	1,000	-	(1,000)	-
Water main improvements	20,000	20,000	-	(20,000)	-
Sanitary sewer improvements	6,328,000	6,328,000	82,864	(6,245,136)	-
NE STP improvements	1,000	1,000	-	(1,000)	-
Other expenses - misc.	1,000	1,000	-	(1,000)	-
Depreciation expense	-	-	3,945	3,945	3,945
Total operating expenses	6,882,000	6,882,000	280,000	(6,602,000)	4,444
Operating income	(6,022,833)	(6,022,833)	879,710	6,902,543	(4,444)
Nonoperating income (expense):					
Loan from Water & Sewer	4,100,000	4,100,000	-	(4,100,000)	-
Interest income	420	420	493	73	407
Total nonoperating income (expense):	4,100,420	4,100,420	493	(4,099,927)	407
Transfers in (out)	938,016	938,016	10,000	(928,016)	10,000
Change in net position	\$ (984,397)	(984,397)	890,203	1,874,600	5,963
Net position, beginning of year			1,340,690		1,334,727
Net position, end of year			2,230,893		1,340,690

**CITY OF MORRIS, ILLINOIS**  
**WATER AND SEWER FUND - BOND & INTEREST ACCOUNT**

SCHEDULE D-5

**Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual**  
**Year Ended April 30, 2022**  
**(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating revenue:	\$ -	-	-	-	-
Operating expenses	-	-	-	-	-
Operating income (loss)	-	-	-	-	-
Non-operating income (expense):					
Interest income	10	10	2	(8)	5
Bond principal	(475,000)	(475,000)	-	475,000	-
Bond interest	(63,110)	(63,110)	(95,274)	(32,164)	(104,630)
Bond fees	(9,890)	(9,890)	(350)	9,540	(350)
Total non-operating income (expense)	(547,990)	(547,990)	(95,622)	452,368	(104,975)
Transfers in (out)	548,000	548,000	535,000	(13,000)	530,000
Change in net position	\$ 10	10	439,378	439,368	425,025
Net position, beginning of year			(2,820,529)		(3,245,554)
Net position, end of year			(2,381,151)		(2,820,529)

CITY OF MORRIS, ILLINOIS  
AIRPORT FUNDS

SCHEDULE E-1

Combining Statement of Net Position  
April 30, 2022  
(With Comparative Figures for April 30, 2021)

	Airport	Airport	Totals	
	Operations Fund	Development Fund	2022	2021
<u>Assets</u>				
Cash and cash equivalents	\$ 186,570	-	186,570	373,349
Accounts receivable	6,766	-	6,766	18,901
Inventories	33,153	-	33,153	37,418
Capital assets				
Land	655,560	4,277,861	4,933,421	4,933,421
Land improvements	58,345	-	58,345	58,345
Machinery and equipment	-	66,925	66,925	66,925
Buildings and improvements	1,897,875	476,071	2,373,946	2,373,946
Infrastructure	7,800,769	-	7,800,769	7,800,769
Vehicles	102,500	-	102,500	102,500
Accumulated depreciation	(8,473,526)	(174,129)	(8,647,655)	(8,543,803)
Total assets	<u>2,268,012</u>	<u>4,646,728</u>	<u>6,914,740</u>	<u>7,221,771</u>
<u>Liabilities</u>				
Accounts payable and accrued expenses	46,379	-	46,379	39,077
Due to General Fund	370,385	1,000,000	1,370,385	1,370,385
Long-term liabilities due within on year:				
Compensated absences	7,722	-	7,722	-
Lease commitments payable	18,236	-	18,236	18,236
Long term liabilities due in more than one year:				
Lease commitments payable	26,086	-	26,086	44,322
Total liabilities	<u>468,808</u>	<u>1,000,000</u>	<u>1,468,808</u>	<u>1,472,020</u>
<u>Net Position</u>				
Net investment in capital assets	1,626,816	3,646,728	5,273,544	5,359,160
Unrestricted	172,388	-	172,388	390,591
Total net position	<u>\$ 1,799,204</u>	<u>3,646,728</u>	<u>5,445,932</u>	<u>5,749,751</u>

CITY OF MORRIS, ILLINOIS  
AIRPORT FUNDS

SCHEDULE E-2

Statement of Revenues, Expenses, and Changes in Fund Net Position  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	Airport Operations Fund	Airport Development Fund	Total	
			2022	2021
Operating revenues:				
Facilities rental	\$ 249,167	-	249,167	248,187
Fuel sales	299,416	-	299,416	231,608
Miscellaneous revenue	6,327	-	6,327	7,363
Total operating revenues	554,910	-	554,910	487,158
Operating expenses:				
Personal services	133,605	-	133,605	117,088
Contractual services	161,303	-	161,303	83,176
Commodities	272,447	-	272,447	171,044
Capital outlay/maintenance	338,324	-	338,324	40,963
Depreciation	86,403	17,449	103,852	101,255
Other expenses	16,689	-	16,689	5,648
Total operating expenses	1,008,771	17,449	1,026,220	519,174
Operating income (loss)	(453,861)	(17,449)	(471,310)	(32,016)
Non-operating revenues (expenses):				
State and federal grants	69,996	-	69,996	32,229
Interest income	145	-	145	175
Interest expense	(2,650)	-	(2,650)	(3,491)
Total non-operating revenues (expenses)	67,491	-	67,491	28,913
Income (loss) before transfers	(386,370)	(17,449)	(403,819)	(3,103)
Transfers in (out)	100,000	-	100,000	-
Change in net position	(286,370)	(17,449)	(303,819)	(3,103)
Net position, beginning of year	2,085,574	3,664,177	5,749,751	5,752,854
Net position, end of year	\$ 1,799,204	3,646,728	5,445,932	5,749,751



**CITY OF MORRIS, ILLINOIS**  
**AIRPORT FUND - AIRPORT OPERATIONS ACCOUNT**

SCHEDULE E-3

**Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual**  
**Year Ended April 30, 2022**  
**(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating revenues:					
Fuel sales	\$ 325,000	325,000	299,416	(25,584)	231,608
Rent:					
Hangars/land	210,320	210,320	198,954	(11,366)	219,817
Farmland	30,000	30,000	50,213	20,213	28,370
Miscellaneous income	8,285	8,285	6,327	(1,958)	7,363
Total operating revenues	573,605	573,605	554,910	(18,695)	487,158
Operating expenses:					
Personnel:					
Salaries:					
Airport Manager	54,225	54,225	54,020	(205)	43,772
Airport Maintenance	40,850	40,850	47,872	7,022	37,021
Ground Maintenance	-	-	594	594	-
Insurance:					
Health	35,348	35,348	29,850	(5,498)	34,484
Dental and vision	1,350	1,350	961	(389)	1,330
Life	605	605	308	(297)	481
Contractual services:					
Engineering services	100,000	97,800	13,182	(84,618)	22,765
Legal fees	10,000	10,000	439	(9,561)	8,144
Medical services and supplies	1,000	1,000	-	(1,000)	-
Other professional services	95,000	95,000	90,000	(5,000)	-
Postage expenses	1,500	1,500	500	(1,000)	500
Telephone	3,500	4,700	4,679	(21)	2,761
Printing/publishing	1,000	1,000	338	(662)	212
Dues/subscriptions	4,000	4,000	3,500	(500)	3,500
Training/travel expense	1,000	1,000	-	(1,000)	-
Gas	9,000	9,000	5,402	(3,598)	5,551
Electricity	27,000	27,000	25,025	(1,975)	23,243
Insurance liability	25,000	25,000	18,238	(6,762)	16,500
Commodities:					
Maintenance:					
Buildings	7,000	7,000	4,072	(2,928)	2,097
Equipment	12,000	12,000	4,357	(7,643)	6,594
Vehicles	20,000	20,000	1,104	(18,896)	697
Grounds	16,000	16,000	1,579	(14,421)	8,956
Office supplies	3,000	3,000	2,950	(50)	244
Operating supplies	2,000	2,000	494	(1,506)	283
Tools and small equipment	2,000	2,000	31	(1,969)	18
Janitorial supplies	1,000	1,000	474	(526)	272
Gasoline/diesel/oil/lubricants	6,500	6,500	2,139	(4,361)	2,093
Aviation fuel	250,000	250,000	236,231	(13,769)	136,941
Fuel sales tax	23,000	23,000	19,016	(3,984)	12,849

**CITY OF MORRIS, ILLINOIS  
AIRPORT FUND - AIRPORT OPERATIONS ACCOUNT**

**SCHEDULE E-3  
(CONTINUED)**

**Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating expenses (continued):					
Capital outlay:					
Buildings & improvements	5,000	5,000	-	(5,000)	656
Land purchase & improv.	1,000	1,000	-	(1,000)	-
T-hangar const. & improv.	7,000	7,000	-	(7,000)	-
Equipment purchase/lease	360,000	360,000	318,589	(41,411)	21,442
Vehicle purchase/lease	1,000	1,000	-	(1,000)	-
Runway improvements	66,000	66,000	19,735	(46,265)	18,865
Other expenses:					
Miscellaneous expenses	13,600	13,600	9,280	(4,320)	860
Bank/credit card fees	9,000	9,000	7,409	(1,591)	4,788
Depreciation expense	-	-	86,403	86,403	83,806
Total operating expense	1,215,478	1,214,478	1,008,771	(205,707)	501,725
Operating income (loss)	(641,873)	(640,873)	(453,861)	187,012	(14,567)
Nonoperating income (expense):					
Federal and state grants	87,564	87,564	69,996	(17,568)	32,229
Interest income	170	170	145	(25)	175
T - hangar loan payments	(20,886)	(20,886)	-	20,886	-
Interest expense	-	-	(2,650)	(2,650)	(3,491)
Total nonoperating income (expense)	66,848	66,848	67,491	643	28,913
Income (loss) before transfers	(575,025)	(574,025)	(386,370)	187,655	14,346
Transfers:					
From General Fund	300,000	300,000	100,000	(200,000)	-
Total transfers	300,000	300,000	100,000	(200,000)	-
Change in net position	<u>\$ (275,025)</u>	<u>(274,025)</u>	<u>(286,370)</u>	<u>(12,345)</u>	<u>14,346</u>
Net position, beginning of year			2,085,574		2,071,228
Net position, end of year			<u>1,799,204</u>		<u>2,085,574</u>

CITY OF MORRIS, ILLINOIS  
 AIRPORT FUND - AIRPORT DEVELOPMENT ACCOUNT

SCHEDULE E-4

Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual  
 Year Ended April 30, 2022  
 (With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating income:					
Miscellaneous income	\$ -	-	-	-	-
Operating expenses:					
Depreciation expense	-	-	17,449	17,449	17,449
Total operating expenses	-	-	17,449	17,449	17,449
Operating income (loss)	\$ -	-	(17,449)	(17,449)	(17,449)
Net position, beginning of year			3,664,177		3,681,626
Net position, end of year			3,646,728		3,664,177

**CITY OF MORRIS, ILLINOIS  
GARBAGE FUND**

SCHEDULE F

**Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating revenues:					
Garbage collection fees	\$ 1,350,000	1,350,000	1,295,910	(54,090)	1,248,818
Miscellaneous income	100	100	1,191	1,091	-
Total operating revenues	<u>1,350,100</u>	<u>1,350,100</u>	<u>1,297,101</u>	<u>(52,999)</u>	<u>1,248,818</u>
Operating expenses:					
Garbage disposal expense	1,350,000	1,350,000	1,266,866	(83,134)	1,225,328
Miscellaneous expenses	10,000	10,000	3,741	(6,259)	4,807
Total operating expenses	<u>1,360,000</u>	<u>1,360,000</u>	<u>1,270,607</u>	<u>(89,393)</u>	<u>1,230,135</u>
Operating income (loss)	<u>(9,900)</u>	<u>(9,900)</u>	<u>26,494</u>	<u>36,394</u>	<u>18,683</u>
Non-operating income (expense):					
Interest income	175	175	188	13	174
Total non-operating income (expense):	<u>175</u>	<u>175</u>	<u>188</u>	<u>13</u>	<u>174</u>
Change in net position	<u>\$ (9,725)</u>	<u>(9,725)</u>	<u>26,682</u>	<u>36,407</u>	<u>18,857</u>
Net position, beginning of year			<u>267,548</u>		<u>248,691</u>
Net position, end of year			<u>294,230</u>		<u>267,548</u>

CITY OF MORRIS, ILLINOIS  
POLICE PENSION TRUST FUND

SCHEDULE G

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	Year Ended April 30,	
	2022	2021
Additions		
Contributions:		
Employer	\$ 1,304,327	1,258,390
Employee	256,132	226,195
Total contributions	1,560,459	1,484,585
Investment earnings:		
Net (decrease) increase in fair value of investments	(244,434)	3,347,427
Interest and dividends	259,093	332,087
Total investment earnings	14,659	3,679,514
Less investment expenses:		
Investment management fees	(64,348)	(68,370)
Net investment income	(49,689)	3,611,144
Total additions	1,510,770	5,095,729
Deductions		
Benefits paid	1,306,023	1,156,256
Refunds to participants	109,320	-
Administrative expense	18,316	18,428
Total deductions	1,433,659	1,174,684
Change in net position	77,111	3,921,045
Net position, beginning of year	20,536,328	16,615,283
Net position, end of year	\$ 20,613,439	20,536,328

**CITY OF MORRIS, ILLINOIS  
CUSTODIAL FUND**

SCHEDULE H-1

**Combining Statement of Net Position  
April 30, 2022  
(With Comparative Figures for April 30, 2021)**

	Security Deposit Trust Fund	
	2022	2021
<u>Assets</u>		
Cash and cash equivalents	\$ 216,481	167,119
<u>Liabilities</u>		
Payable to other governments	500	500
Security deposits payable	215,981	166,619
Total liabilities	216,481	167,119
<u>Net Position</u>		
Unrestricted	\$ -	-

**CITY OF MORRIS, ILLINOIS  
CUSTODIAL FUND**

SCHEDULE H-2

**Combining Statement of Changes in Assets and Liabilities  
April 30, 2022  
(With Comparative Figures for April 30, 2021)**

	Security Deposit Trust Fund	
	2022	2021
Additions:		
Security deposits	\$ 543,266	13,157
Interest income	275	100
Total additions	<u>543,541</u>	<u>13,257</u>
Deductions:		
Refund of deposits & fees	<u>494,179</u>	<u>29,559</u>
Total deductions	<u>494,179</u>	<u>29,559</u>
Change in assets & liabilities	49,362	(16,302)
Assets & liabilities - beginning	<u>167,119</u>	<u>183,421</u>
Assets & liabilities - ending	<u>\$ 216,481</u>	<u>167,119</u>

CITY OF MORRIS, ILLINOIS  
GENERAL FUND

SCHEDULE I-1

Expenditures - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual		Actual
	Original	Final			
Finance and administration:					
Personnel:					
Salaries:					
Mayor	\$ 104,335	104,335	101,985	(2,350)	101,624
Liquor Commissioner	10,000	10,000	9,771	(229)	10,220
Community Liaison/PIO	-	-	64,460	64,460	-
Community Affairs	-	-	557	557	-
Mayor's Secretary	68,386	68,386	66,450	(1,936)	66,151
Aldermen	48,000	48,000	42,094	(5,906)	38,200
Aldermen - Committee Mtg	9,000	9,000	5,652	(3,348)	4,750
City Clerk	90,887	90,887	88,840	(2,047)	90,479
Budget Officer	17,500	17,500	17,099	(401)	17,885
Treasurer	3,500	3,500	3,500	-	-
Deputy Treasurer	73,095	73,095	71,076	(2,019)	68,633
Building and Zoning Officer	89,757	89,757	87,748	(2,009)	109,950
Director of Public Works	106,894	106,894	104,323	(2,571)	101,543
Public Works Secretary	52,218	52,218	50,852	(1,366)	50,655
Custodian	40,298	40,298	39,004	(1,294)	38,108
Fire Marshall	36,776	36,776	34,104	(2,672)	32,729
Deputy City Clerk F&A	70,423	70,423	68,692	(1,731)	67,279
Human Resource Admin.	31,425	31,425	30,545	(880)	32,641
Zoning Board of Appeals	2,000	2,000	317	(1,683)	725
Planning Commission	2,000	2,000	1,432	(568)	1,290
Police Commission	2,000	2,000	902	(1,098)	175
Insurance:					
Health	400,016	400,016	357,249	(42,767)	266,535
Dental and vision	16,834	16,834	15,734	(1,100)	11,882
Life	6,771	6,771	3,817	(2,954)	5,523
Unemployment	1,000	1,000	-	(1,000)	-
Contractual services:					
Accounting service	30,000	30,000	25,638	(4,362)	15,331
Engineering service	40,000	92,400	90,431	(1,969)	33,907
Legal service	400,000	327,700	292,349	(35,351)	360,127
Medical service & supplies	1,000	1,000	-	(1,000)	-
Data processing/internet	1,000	13,900	13,808	(92)	77
Other professional services	40,000	40,000	26,574	(13,426)	14,988
Building inspector fee	28,000	28,000	19,342	(8,658)	33,478
Plumbing inspector fee	8,500	8,500	7,350	(1,150)	8,575
Electrical inspector fee	1,000	1,000	-	(1,000)	-
Postage and meter expense	6,000	6,000	3,027	(2,973)	2,805
Telephone	28,000	28,000	25,852	(2,148)	22,932
Cell phone	3,000	3,000	424	(2,576)	873
Printing/publishing	15,000	15,000	9,672	(5,328)	5,536
Dues/subscriptions	40,000	43,900	39,587	(4,313)	39,949
Training/travel expense	2,000	4,400	4,307	(93)	796
Codification services	11,000	11,000	9,090	(1,910)	9,400
Building & zoning expense	3,500	3,500	743	(2,757)	1,179
Police/fire commission	25,000	25,000	21,651	(3,349)	473
Gas	1,000	1,000	-	(1,000)	-
Insurance	210,000	210,000	192,314	(17,686)	184,780
Copier machine rental	9,000	9,000	7,356	(1,644)	5,771



CITY OF MORRIS, ILLINOIS  
GENERAL FUND

SCHEDULE I-1  
(CONTINUED)

Expenditures - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual		Actual
	Original	Final			
Finance and administration (continued):					
Commodities:					
Maintenance:					
Building	\$ 50,000	50,000	40,562	(9,438)	31,517
Equipment	7,500	7,500	4,292	(3,208)	2,636
Grounds	9,000	9,300	9,211	(89)	4,593
Office supplies	20,000	20,000	15,214	(4,786)	9,356
Operating supplies	2,500	2,500	1,797	(703)	978
Janitorial supplies	3,200	3,600	3,593	(7)	1,288
Books and periodicals	1,000	1,000	-	(1,000)	-
Capital outlay:					
Equipment	10,000	10,000	-	(10,000)	3,264
Furniture	1,000	1,000	972	(28)	-
Computer equipment	30,000	30,000	29,283	(717)	16,019
Other expenditures:					
Sales tax reimbursement	1,500,000	1,500,000	1,747,467	247,467	704,403
Memorials	6,000	6,000	75	(5,925)	4,382
Donations	410,000	410,000	406,688	(3,312)	400,100
Miscellaneous expense	15,000	15,000	6,100	(8,900)	3,609
Total finance and administration	4,251,315	4,251,315	4,320,972	69,657	3,040,099
Police department:					
Personnel:					
Salaries:					
Chief of Police	177,212	177,212	171,550	(5,662)	119,697
Deputy Chief	109,034	209,534	208,991	(543)	103,071
Sergeants	664,570	664,570	503,512	(161,058)	568,002
Patrol Persons	1,962,478	1,962,478	1,856,396	(106,082)	1,836,395
Part-time Patrol Persons	85,000	85,000	39,194	(45,806)	32,889
Police FOIA Officer	7,500	7,500	7,522	22	7,520
Police Secretary	56,669	56,669	56,442	(227)	55,789
Computer Operator	61,701	61,701	60,566	(1,135)	40,536
Ordinance Enforcer	50,179	50,679	50,717	38	52,424
School Crossing Guards	67,500	67,500	63,990	(3,510)	43,768
Records and Technology	72,607	72,607	72,516	(91)	69,100
Other	-	-	5,671	5,671	-
Insurance Benefits:					
Health	1,219,230	1,095,480	994,552	(100,928)	1,030,245
Dental and vision	54,977	54,977	42,906	(12,071)	42,185
Life	20,160	20,160	9,367	(10,793)	14,468
Unemployment	1,000	1,000	-	(1,000)	-
Deferred compensation	16,500	16,500	12,083	(4,417)	12,967
Pension contributions	1,304,327	1,304,327	1,304,327	-	1,258,390
Uniform expense	34,000	34,000	25,709	(8,291)	13,548
Contractual services:					
Medical service - arrestees	3,500	3,500	3,324	(176)	1,851
Data processing service	1,000	1,000	1,995	995	-
Dispatcher agreement	450,000	450,000	424,587	(25,413)	514,937
Postage and meter expense	3,200	3,200	1,500	(1,700)	1,504
Cell phone	3,500	3,500	1,431	(2,069)	2,657
Printing/publishing	3,800	3,800	2,319	(1,481)	1,447
LEADS expense	9,500	9,500	6,123	(3,377)	7,347

CITY OF MORRIS, ILLINOIS  
GENERAL FUND

SCHEDULE I-1  
(CONTINUED)

Expenditures - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual		Actual
	Original	Final			
Police department (continued):					
Contractual services (continued):					
Dues/subscriptions	\$ 50,100	50,100	46,607	(3,493)	27,181
Training/travel expense	35,000	35,000	34,522	(478)	7,881
Tuition reimbursement	3,000	3,000	-	(3,000)	-
Investigation expense	8,100	8,100	5,851	(2,249)	5,335
Booking/processing expense	1,000	1,000	231	(769)	20,890
Copier machine rental	5,408	5,408	4,344	(1,064)	4,353
Commodities:					
Maintenance:					
Building	3,000	3,000	438	(2,562)	160
Equipment	6,500	6,500	2,546	(3,954)	2,565
Vehicles	24,000	24,000	16,205	(7,795)	18,694
Communication equip.	15,000	15,000	1,590	(13,410)	2,198
Office supplies	18,000	21,200	21,122	(78)	17,869
Operating supplies	2,700	2,750	2,714	(36)	2,594
Janitorial supplies	3,800	3,800	3,415	(385)	3,318
Gas / oil / lubricants	80,000	80,000	68,214	(11,786)	49,238
DARE supplies	3,500	3,500	2,806	(694)	1,438
Drug law & crime prevention	1,000	1,000	1,000	-	-
Awards	1,300	1,300	623	(677)	65
Books and periodicals	1,400	1,400	-	(1,400)	215
Capital outlay:					
Equipment	75,000	75,000	49,338	(25,662)	17,628
Vehicles	105,000	118,000	120,569	2,569	59,020
Furniture	2,400	2,400	1,927	(473)	1,900
Communication equipment	30,000	30,000	30,000	-	20,632
Computer equipment	30,000	36,500	36,295	(205)	7,367
Other expenditures:					
Miscellaneous expense	12,500	12,500	3,939	(8,561)	5,016
Animal control	15,000	15,000	12,920	(2,080)	12,720
M.A.N.S. expense	1,000	1,000	-	(1,000)	-
<b>Total police department</b>	<b>6,972,852</b>	<b>6,972,852</b>	<b>6,394,506</b>	<b>(578,346)</b>	<b>6,119,014</b>
Streets and alleys:					
Personnel:					
Salaries:					
Superintendent of Streets	96,372	96,372	95,987	(385)	91,875
Mechanic	78,409	79,909	79,531	(378)	77,162
Class A Operator	454,370	454,370	399,921	(54,449)	391,706
Class B Operator	85,280	85,280	74,762	(10,518)	75,458
Class A Laborer	247,448	247,448	221,959	(25,489)	202,081
Class B Laborer	386,261	386,261	338,899	(47,362)	326,974
Overtime	-	-	150	150	-
Insurance:					
Health	567,065	552,965	471,263	(81,702)	484,353
Dental and vision	26,052	26,052	19,878	(6,174)	19,732
Life	9,635	9,635	5,075	(4,560)	7,729
Unemployment	1,000	1,000	-	(1,000)	-
Deferred compensation	12,000	12,000	7,783	(4,217)	7,550

CITY OF MORRIS, ILLINOIS  
GENERAL FUND

SCHEDULE I-1  
(CONTINUED)

Expenditures - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual		Actual
	Original	Final			
Streets and alleys (continued):					
Contractual services:					
Engineering services	\$ 100,000	100,000	60,521	(39,479)	134,605
Medical service and testing	10,000	10,000	1,572	(8,428)	2,353
Cell phone	2,000	2,000	941	(1,059)	1,038
Printing/publishing	1,000	1,000	116	(884)	-
Training/travel expenses	5,000	5,000	1,717	(3,283)	690
Street light electricity	160,000	160,000	138,127	(21,873)	105,567
Rentals	10,000	10,000	-	(10,000)	1,750
Commodities:					
Maintenance:					
Buildings	2,500	2,500	1,689	(811)	297
Equipment	50,000	50,000	29,257	(20,743)	17,922
Vehicles	35,000	35,600	35,585	(15)	31,201
Streets	50,000	50,000	36,307	(13,693)	15,751
Traffic signals	100,000	100,000	77,904	(22,096)	74,089
Tree trimming	5,000	17,000	16,980	(20)	600
Street control	50,000	50,000	40,219	(9,781)	34,901
Street lights	50,000	50,000	32,438	(17,562)	24,733
Operating supplies	36,000	36,000	24,244	(11,756)	21,512
Tools and small equipment	15,000	15,000	2,360	(12,640)	4,481
Janitorial supplies	5,000	5,000	893	(4,107)	2,125
Gas / oil / lubricants	60,000	60,000	58,051	(1,949)	53,949
Capital outlay:					
Equipment	25,000	25,000	18,964	(6,036)	-
Vehicles	25,000	25,000	16,996	(8,004)	35,063
Street construction	250,000	250,000	163,829	(86,171)	272,491
Bridge construction	250,000	250,000	-	(250,000)	-
Storm sewer construction	10,000	10,000	6,321	(3,679)	23
Sidewalk construction	40,000	40,000	15,052	(24,948)	15,616
Street signs	15,000	15,000	2,813	(12,187)	10,755
Street lighting	25,000	25,000	-	(25,000)	687
Communication equipment	10,000	10,000	6,194	(3,806)	6,295
Other expenditures - misc.	12,000	12,000	956	(11,044)	8,453
<b>Total streets and alleys</b>	<b>3,372,392</b>	<b>3,372,392</b>	<b>2,505,254</b>	<b>(867,138)</b>	<b>2,561,567</b>
Parks department:					
Personnel:					
Salaries:					
Parks Leadsman	83,266	83,266	75,077	(8,189)	67,959
Asst. Parks Leadsman	81,084	81,084	72,746	(8,338)	66,656
Parks Laborer	77,252	77,252	71,139	(6,113)	66,091
Summer Maintenance	57,600	57,600	38,951	(18,649)	38,865
Insurance:					
Health	118,936	117,936	100,049	(17,887)	103,460
Dental and vision	5,280	5,280	4,312	(968)	4,307
Life	1,806	1,806	925	(881)	1,445
Unemployment	1,000	1,000	-	(1,000)	-
Deferred compensation	2,500	2,500	1,850	(650)	1,850

CITY OF MORRIS, ILLINOIS  
GENERAL FUND

SCHEDULE I-1  
(CONTINUED)

Expenditures - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual		Actual
	Original	Final			
Parks department (continued):					
Contractual services:					
Engineering services	\$ 25,000	25,000	4,902	(20,098)	-
Electricity	15,000	15,000	12,187	(2,813)	8,589
Rentals	1,000	1,000	-	(1,000)	-
Commodities:					
Maintenance:					
Building	6,000	6,000	1,655	(4,345)	305
Equipment	25,000	25,000	8,894	(16,106)	11,196
Vehicles	4,000	5,000	4,905	(95)	1,356
Grounds	10,000	10,000	8,568	(1,432)	2,317
Tennis courts	2,500	2,500	-	(2,500)	102
Baseball fields	17,000	17,000	15,348	(1,652)	-
Operating supplies	10,000	10,000	5,368	(4,632)	3,185
Tools and small equipment	7,500	7,500	1,873	(5,627)	3,803
Janitorial supplies	3,000	3,000	1,304	(1,696)	698
Gas / oil / lubricants	19,000	19,000	9,823	(9,177)	11,159
Capital outlay:					
Park improvements	40,000	40,000	23,590	(16,410)	39,381
Equipment	25,000	25,000	11,161	(13,839)	17,403
Vehicles	22,000	22,000	16,996	(5,004)	-
Other expenditures - misc.	2,500	2,500	554	(1,946)	-
Total parks department	663,224	663,224	492,177	(171,047)	450,127
Swimming Pool:					
Personnel:					
Salaries:					
Management	29,590	29,590	27,554	(2,036)	25,937
Summer employees	103,300	103,300	53,338	(49,962)	18,125
Red cross	11,500	11,500	3,179	(8,321)	58
Contractual services:					
Engineering service	1,200	1,200	-	(1,200)	-
Printing/publishing	700	700	76	(624)	10
Dues/subscriptions	1,000	1,000	275	(725)	-
Gas	1,000	1,000	521	(479)	518
Commodities:					
Maintenance	4,000	4,000	2,920	(1,080)	2,747
Operating supplies	3,500	3,500	1,753	(1,747)	648
Tools and small equipment	1,200	1,200	222	(978)	70
Janitorial supplies	500	500	282	(218)	77
Chemicals	20,000	20,000	9,989	(10,011)	5,373
Capital outlay:					
Pool improvements	4,000	4,000	409	(3,591)	2,544
Equipment	3,000	3,000	11,566	8,566	-
Other expenditures:					
Miscellaneous	1,000	1,300	1,275	(25)	200
Concession stand	15,000	14,700	6,117	(8,583)	736
Total swimming pool	200,490	200,490	119,476	(81,014)	57,043

**CITY OF MORRIS, ILLINOIS  
GENERAL FUND**

**SCHEDULE I-1  
(CONTINUED)**

**Expenditures - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			Variance with Final Budget	2021 Actual
	Budgeted Amounts		Actual		
	Original	Final			
Senior Van:					
Personnel - salaries	\$ 14,140	14,140	12,460	(1,680)	11,196
Contractual - printing	1,000	1,000	69	(931)	-
Commodities:					
Maintenance	5,000	5,000	435	(4,565)	36
Gas / oil / lubricants	6,000	6,000	1,773	(4,227)	1,458
Capital outlay - vehicles	1,000	1,000	-	(1,000)	-
Other expenditures - misc.	1,000	1,000	-	(1,000)	-
Total senior van	28,140	28,140	14,737	(13,403)	12,690
Activity fund expenditures	-	-	74,764	74,764	126,249
Provision for Contingencies	100,000	100,000	36,335	(63,665)	27,500
Total expenditures	15,588,413	15,588,413	13,958,221	(1,630,192)	12,394,289
Transfers to other funds:					
Airport Development	300,000	300,000	100,000	(200,000)	-
W&S Capital Improvement	928,016	928,016	-	(928,016)	-
Police Pension	150,000	150,000	-	(150,000)	-
Total transfers to other funds	1,378,016	1,378,016	100,000	(1,278,016)	-
Total General Fund	16,966,429	16,966,429	14,058,221	(2,908,208)	12,394,289
Summary by Function:					
Current:					
General government	4,310,315	4,310,315	4,401,816	91,501	3,174,565
Public safety	5,426,125	5,406,625	4,852,050	(554,575)	4,754,077
Public works	2,749,532	2,749,532	2,289,822	(459,710)	2,233,327
Culture and recreation	769,714	769,714	547,931	(221,783)	447,842
Employee retirement costs	1,304,327	1,304,327	1,304,327	-	1,258,390
Capital outlay	1,028,400	1,047,900	562,275	(485,625)	526,088
Total expenditures	15,588,413	15,588,413	13,958,221	(1,630,192)	12,394,289
Transfers to other funds	1,378,016	1,378,016	100,000	(1,278,016)	-
Total General Fund	\$ 16,966,429	16,966,429	14,058,221	(2,908,208)	12,394,289

CITY OF MORRIS, ILLINOIS  
WATER AND SEWER FUND - OPERATIONS & MAINTENANCE ACCOUNT

SCHEDULE I-2

Expenses - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual		Actual
	Original	Final			
Administrative department:					
Personal services:					
Salaries:					
Senior Water Clerk	\$ 29,425	29,425	29,343	(82)	29,436
Water Clerk	81,503	81,503	43,322	(38,181)	45,051
Insurance:					
Health	103,459	103,459	44,390	(59,069)	45,302
Dental and vision	3,928	3,928	1,525	(2,403)	1,482
Life	1,691	1,691	879	(812)	1,244
Unemployment	1,000	1,000	-	(1,000)	-
Contractual services:					
Accounting service	35,000	35,000	16,475	(18,525)	14,364
Legal service	75,000	69,200	10,527	(58,673)	21,149
Technology and internet	2,500	4,700	4,632	(68)	-
Postage and meter expense	15,000	15,000	13,536	(1,464)	13,607
Telephone and alarms	20,000	20,400	20,319	(81)	17,027
Cell phone	4,000	4,000	3,342	(658)	2,509
Printing and publishing	7,000	7,000	4,148	(2,852)	4,561
Dues and subscriptions	2,000	2,000	363	(1,637)	1,112
Training and travel expense	1,000	1,000	100	(900)	-
Gas	40,000	40,000	25,277	(14,723)	33,343
Insurance	225,000	225,000	188,179	(36,821)	186,437
Rentals	1,000	1,000	-	(1,000)	-
Commodities:					
Office supplies	24,000	24,000	7,059	(16,941)	5,622
Operating supplies	1,000	1,000	-	(1,000)	-
Capital outlay:					
Equipment	3,000	3,000	-	(3,000)	1,961
Computers and programs	20,000	20,000	15,934	(4,066)	8,775
Other expenses:					
Fees	40,000	40,000	30,782	(9,218)	32,318
Water refunds	2,000	2,000	-	(2,000)	-
Miscellaneous expenses	4,000	7,200	7,138	(62)	547
Total administrative department	742,506	742,506	467,270	(275,236)	465,847
Water department:					
Personal services					
Salaries:					
Water foreman	96,477	96,477	95,665	(812)	176,324
Assistant foreman	86,134	91,334	90,534	(800)	-
Class A	91,153	91,153	82,473	(8,680)	79,370
Class B	165,042	108,342	82,830	(25,512)	80,443
Class C	162,169	211,469	208,889	(2,580)	145,201
Class D	1,000	1,000	-	(1,000)	56,571
Overtime	-	-	149	149	-
Insurance:					
Health	237,465	237,465	187,195	(50,270)	189,995
Dental and vision	9,480	9,480	7,728	(1,752)	7,536
Life	4,215	4,215	2,021	(2,194)	3,412
VALIC - employer portion	4,000	4,000	2,017	(1,983)	2,050

CITY OF MORRIS, ILLINOIS  
WATER AND SEWER FUND - OPERATIONS & MAINTENANCE ACCOUNT

SCHEDULE I-2  
(CONTINUED)

Expenses - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual		Actual
	Original	Final			
Water department (continued):					
Contractual services:					
Engineering services	\$ 90,000	90,000	30,454	(59,546)	57,742
Medical service and supplies	2,000	2,000	1,447	(553)	1,262
JULIE locate service	5,000	5,000	3,274	(1,726)	2,111
Training and travel expense	10,000	10,000	1,077	(8,923)	983
Electricity	200,000	200,000	200,089	89	161,842
Rental equipment	12,000	12,000	-	(12,000)	315
Copier machine rental	2,000	2,000	1,382	(618)	1,562
Commodities:					
Maintenance:					
Equipment	35,000	35,000	15,494	(19,506)	20,146
Meters	15,000	15,000	7,872	(7,128)	-
Vehicles	15,000	15,000	9,336	(5,664)	9,463
WTP and building	12,000	12,000	2,005	(9,995)	6,817
Water towers	10,000	10,000	140	(9,860)	9,436
Well houses	20,000	20,000	3,896	(16,104)	5,970
Water mains	35,000	35,000	25,152	(9,848)	31,345
Pumping equipment	17,000	17,000	4,200	(12,800)	5,000
Grounds	5,000	5,000	-	(5,000)	-
Office supplies & equipment	3,000	3,000	2,497	(503)	141
Operating supplies	18,000	18,000	16,211	(1,789)	16,566
Tools and small equipment	15,000	15,000	9,068	(5,932)	1,486
Janitorial supplies	1,000	1,000	421	(579)	413
Gas / oil / lubricant	30,000	30,000	20,148	(9,852)	14,920
Chemicals	70,000	70,000	35,751	(34,249)	29,632
Sodium chloride	225,000	225,000	174,415	(50,585)	162,263
Print & non-print materials	20,000	20,000	10,057	(9,943)	-
Capital outlay:					
WTP improvements	10,000	10,000	-	(10,000)	-
Equipment	100,000	100,000	14,882	(85,118)	-
Meters	320,000	320,000	307,001	(12,999)	230,675
Valves and hydrants	25,000	25,000	13,436	(11,564)	19,982
Hydra-stop equipment	8,000	8,000	1,148	(6,852)	5,232
Pumping equipment	15,000	15,000	-	(15,000)	-
Vehicles	23,000	23,000	-	(23,000)	35,063
Water main extensions	620,000	620,000	55,674	(564,326)	5,384
Water well construction	20,000	20,000	-	(20,000)	1,000
Water system control	1,500	1,500	-	(1,500)	-
Water towers	5,000	7,200	7,200	-	-
Furniture	1,000	1,000	-	(1,000)	-
Other expenses:					
Water analysis	13,000	13,000	5,645	(7,355)	5,526
Miscellaneous expenses	4,000	4,000	274	(3,726)	510
Total water department	2,889,635	2,889,635	1,739,147	(1,150,488)	1,583,689

CITY OF MORRIS, ILLINOIS  
WATER AND SEWER FUND - OPERATIONS & MAINTENANCE ACCOUNT

SCHEDULE I-2  
(CONTINUED)

Expenses - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Sewer department:					
Contractual services:					
Engineering services	\$ 400,000	400,000	109,228	(290,772)	446,539
Rental equipment	1,000	1,000	-	(1,000)	-
Commodities:					
Maintenance:					
Equipment	5,000	5,000	-	(5,000)	-
Sewer machine	10,000	10,000	7,757	(2,243)	1,531
Lift stations	22,000	22,000	2,027	(19,973)	11,823
Sewer mains	70,000	70,000	10,376	(59,624)	550
Capital outlay:					
Equipment	1,000	1,000	-	(1,000)	-
Manholes and grates	50,000	50,000	-	(50,000)	-
Sewer extensions	500,000	500,000	55,329	(444,671)	-
Lift stations	400,000	400,000	21,269	(378,731)	-
Other expenses	5,000	5,000	-	(5,000)	-
Total sewer department	1,464,000	1,464,000	205,986	(1,258,014)	460,443
Sewer treatment department:					
Personal services:					
Salaries:					
Operator	94,121	94,121	94,431	310	80,372
Operator 1	90,374	90,374	85,543	(4,831)	92,042
Lab assistant T4	160,602	160,602	151,036	(9,566)	146,341
Lab assistant T	69,005	69,005	62,675	(6,330)	55,602
Summer maintenance	12,500	12,500	7,615	(4,885)	4,020
Overtime	-	-	155	155	-
Insurance:					
Health	218,925	218,925	172,655	(46,270)	174,993
Dental and vision	8,870	8,870	7,234	(1,636)	7,052
Life	3,015	3,015	1,541	(1,474)	2,408
VALIC - employer portion	4,500	4,500	3,050	(1,450)	3,050
Contractual services:					
Engineering services	30,000	30,000	-	(30,000)	7,263
Engineering - NE STP	6,000	6,000	-	(6,000)	-
Medical service & supplies	1,500	1,500	124	(1,376)	347
Training/travel expense	1,000	1,000	-	(1,000)	-
Electricity - central	130,000	161,000	160,917	(83)	93,394
Electricity - NE STP	150,000	150,000	140,963	(9,037)	110,464
Sludge disposal expense	200,000	205,700	155,004	(50,696)	88,966
Copier machine rental	1,000	1,000	487	(513)	419
Commodities:					
Maintenance:					
Equipment	30,000	30,000	21,900	(8,100)	13,742
Vehicles	15,000	15,000	9,357	(5,643)	1,655
STP	15,000	15,000	7,155	(7,845)	9,060
Grounds	4,000	4,000	186	(3,814)	43



**CITY OF MORRIS, ILLINOIS  
WATER AND SEWER FUND - OPERATIONS & MAINTENANCE ACCOUNT**

**SCHEDULE I-2  
(CONTINUED)**

**Expenses - Budget and Actual  
Year Ended April 30, 2022  
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual		Actual
	Original	Final			
Sewer treatment department (continued):					
Commodities (continued):					
Office supplies and equip.	\$ 5,000	5,000	1,609	(3,391)	195
Operating supplies	6,000	6,000	2,740	(3,260)	772
Lab testing samples	30,000	30,000	11,869	(18,131)	18,516
Tools and small equipment	6,000	6,000	142	(5,858)	604
Janitorial supplies	1,200	1,200	755	(445)	676
Gasoline/diesel/oil/lubricants	15,000	17,800	17,723	(77)	7,583
Chemicals	7,000	7,000	3,926	(3,074)	2,932
Capital outlay:					
Sewer treatment plant	4,000.0	4,000	-	(4,000)	-
NE STP	4,000	4,000	-	(4,000)	-
Vehicles and equipment	1,000	1,000	-	(1,000)	-
Other expenses:					
IEPA/NPDES fees	110,000	68,200	30,845	(37,355)	34,543
Loan to W&S CI	4,100,000	4,100,000	-	(4,100,000)	-
Miscellaneous expenses	1,000	3,300	3,234	(66)	-
Total sewer treatment	<u>5,535,612</u>	<u>5,535,612</u>	<u>1,154,871</u>	<u>(4,380,741)</u>	<u>957,054</u>
Depreciation expense	-	-	1,094,477	1,094,477	1,028,227
Provision for Contingencies	100,000	100,000	-	(100,000)	-
Total expenses	<u>10,731,753</u>	<u>10,731,753</u>	<u>4,661,751</u>	<u>(6,070,002)</u>	<u>4,495,260</u>
Transfers:					
To Revenue Bond & Interest	548,000	548,000	535,000	(13,000)	530,000
To Capital Improvements	10,000	10,000	10,000	-	10,000
Total transfers	<u>558,000</u>	<u>558,000</u>	<u>545,000</u>	<u>(13,000)</u>	<u>540,000</u>
Total Operations & Maintenance	<u>\$ 11,289,753</u>	<u>11,289,753</u>	<u>5,206,751</u>	<u>(6,083,002)</u>	<u>5,035,260</u>
Summary by Function:					
Operating expenses:					
Personal services	\$ 1,740,053	1,737,853	1,464,895	(272,958)	1,429,297
Contractual services	1,669,000	1,702,500	1,091,344	(611,156)	1,267,318
Commodities	812,200	815,000	441,244	(373,756)	388,902
Capital outlay	2,131,500	2,133,700	491,873	(1,641,827)	308,072
Depreciation	-	-	1,094,477	1,094,477	1,028,227
Other expenses	4,379,000	4,342,700	77,918	(4,264,782)	73,444
Total operating expenses	<u>10,731,753</u>	<u>10,731,753</u>	<u>4,661,751</u>	<u>(6,070,002)</u>	<u>4,495,260</u>
Transfers to other accounts	<u>558,000</u>	<u>558,000</u>	<u>545,000</u>	<u>(13,000)</u>	<u>540,000</u>
Total Operations & Maintenance	<u>\$ 11,289,753</u>	<u>11,289,753</u>	<u>5,206,751</u>	<u>(6,083,002)</u>	<u>5,035,260</u>

***SUPPLEMENTAL SECTION (UNAUDITED)***

**Assessed Valuations, Tax Rates, Tax Extensions  
and Tax Collections**

<b>City of Morris</b>	Tax Year				
	2017	2018	2019	2020	2021
Assessed valuations	\$ 284,942,500	329,474,997	344,806,898	344,712,482	374,047,299
Tax rates:					
General Corporate	0.0462	0.0605	0.0904	0.0843	0.10881
Police Pension	0.4010	0.3702	0.3650	0.3784	0.36068
Municipal Retirement	0.1081	0.1008	0.0900	0.0949	0.08437
Social Security	0.0916	0.1027	0.1059	0.0863	0.08295
Police Protection	0.0158	0.0228	0.0218	0.0218	0.02005
Totals	0.6627	0.6570	0.6730	0.6656	0.6569
Tax extensions:					
General Corporate	\$ 131,350	199,398	311,602	290,420	407,001
Police Pension	1,140,376	1,219,585	1,258,407	1,304,323	1,349,114
Municipal Retirement	307,403	332,012	310,257	327,236	315,584
Social Security	260,510	338,502	365,254	297,521	310,272
Police Protection	44,930	74,989	74,996	75,009	74,996
Total	1,884,569	2,164,486	2,320,516	2,294,510	2,456,967
Plus: Road & Bridge	80,725	61,055	65,561	47,019	58,275
Total Extensions	\$ 1,965,294	2,225,541	2,386,077	2,341,529	2,515,242
Tax Collections	\$ 1,942,505	2,166,144	2,252,466	2,332,876	-

<b>TIF I:</b>	Tax Year			
	2018	2019	2020	2021
Assessed valuation	\$ 63,839,338	67,494,734	66,992,697	71,515,957
Tax rate	0.65695	0.67299	0.65200	0.61946
Tax Extension	\$ 5,022,601	5,295,548	5,272,692	5,530,343
Tax Collections	\$ 5,015,488	5,282,663	5,250,460	-

<b>Marina TIF:</b>	Tax Year			
	2018	2019	2020	2021
Assessed valuation	\$ 175,390	210,755	306,582	371,530
Tax rate	0.65695	0.67299	0.65200	0.61946
Tax Extension	\$ 14,085	10,257	24,672	29,456
Tax Collections	\$ 13,085	15,835	23,109	-

***OTHER REQUIRED REPORTING***



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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Mayor and Members of the City Council

City of Morris, 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 City of Morris, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise City of Morris, Illinois' basic financial statements and have issued our report thereon dated November 7, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Morris, Illinois' 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 City of Morris, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Morris, Illinois' 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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2022-01 through 2022-03 that we consider to be significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Morris, Illinois' 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*.

We noted certain matters that we reported to the management of City of Morris, Illinois, in a separate letter dated November 7, 2022.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mack & Associates, P. C.*

Mack & Associates, P.C.  
Certified Public Accountants

Morris, Illinois  
November 7, 2022



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CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report on Compliance with the Illinois Tax Increment Allocation Redevelopment Act

Honorable Mayor and  
Members of the City Council  
City of Morris, Illinois

### Report on the Financial Statements

We have audited the basic financial statements of the City of Morris, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated November 7, 2022.

We have also audited the City of Morris, Illinois' compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142).

### Opinion

In our opinion, the City of Morris, Illinois complied, in all material respects, with the compliance requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142) for the year ended April 30, 2022.

### Basis of Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1145) has occurred. An audit includes examining, on a test basis, evidence about the City of Morris, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142). However, our audit does not provide a legal determination of the City of Morris, Illinois' compliance.

### Responsibility of Management

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the City of Morris, Illinois' Tax Increment Financing District.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142) based on our audit.

This report is intended for the information and use of the Mayor and members of the City Council, management, and the State of Illinois and is not intended to be and should not be used by anyone other than these specified parties.

*Mack & Associates, P. C.*

Mack & Associates, P.C.  
Certified Public Accountants

Morris, Illinois  
November 7, 2022



**Schedule of Findings and Responses  
For the Year Ended April 30, 2022**

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**2022-01: Internal Controls and Oversight over Financial Reporting**

*Condition:*

The City does not have formalized policies and procedures related to internal controls over financial reporting.

*Criteria:*

A strong system of internal controls and oversight related to accounting and financial reporting is integral to ensuring the City's external financial statements are complete and accurate. Formalized policies and procedures, as well as adequate financial reporting knowledge form the basis of a strong system of internal controls.

*Cause:*

The City has prepared informal job instructions sheets, which have been used as a guide for daily procedures. Accounting and administrative staff are long-time employees and formalized policies and procedures have not been developed.

*Effect:*

City personnel may not prevent or detect misstatements to the financial statements during their normal course of operations. Also, additional internal control deficiencies were identified as a result of the lack of financial reporting knowledge and oversight.

*Recommendation:*

The City continues develop and document formal accounting and financial reporting policies and procedures. The City should also consider acquiring adequate financial reporting knowledge by providing current staff with additional training.

*Management's Response:*

We agree with the finding and have begun the process of developing formalized policies and procedures related to internal controls over financial reporting. The City will also evaluate the costs and benefits involved in obtaining the required reporting knowledge to oversee the financial reporting process.

**Schedule of Findings and Responses  
For the Year Ended April 30, 2022**

---

**2022-02: Financial Statement Preparation and Significant Audit Adjustments**

*Condition:*

The City does not prepare its annual financial statements and related footnote disclosures, and has engaged the auditors to assist in this preparation. Significant audit adjustments were required to present the financial statements in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

*Criteria:*

Management is responsible for the preparation and fair presentation of the financial statements, including the related disclosures, in conformity with GAAP.

*Cause:*

The City maintains its internal financial records on the cash basis, and relies on the audit firm to adjust the trial balances to the accrual basis, and prepare the financial statements and related footnote disclosures. However, management has reviewed and approved the audit adjustments, the annual financial statements, and the related footnote disclosures.

*Effect:*

The completeness of the financial statement disclosures and the accuracy of the overall financial statement presentation is negatively impacted as external auditors do not have the same comprehensive understanding of the City as its internal staff.

*Recommendation:*

The City should continue to review and approve the annual financial statements and the related footnote disclosures. The City should also designate an individual who is responsible for preparing cash-to-accrual financial statement adjustments and footnote supporting schedules to the auditors.

*Management's Response:*

We agree with the finding and will consider the costs and benefits of implementing the recommendations.