

**CITY OF MORRIS, ILLINOIS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDING**  
**APRIL 30, 2025**



**CITY OF MORRIS, ILLINOIS**

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For the Year Ended April 30, 2025**

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***INDEPENDENT AUDITORS' REPORT***



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

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Auditors' 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, 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 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 schedule 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, 2024, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 18, 2024. The summarized comparative information presented herein as of and for the year ended April 30, 2024, 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 3, 2025, 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 3, 2025

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

## CITY OF MORRIS, ILLINOIS

### Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2025

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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, 2025. 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 \$77,546,304 (net position). The City has an unrestricted net deficit of \$9,256,394 at April 30, 2025.
- The City's total net position increased by \$4,855,275 (6.7%) for the fiscal year ended April 30, 2025. Of this amount, the governmental net position increased by \$5,773,114 (24.9%) and the business-type net position decreased by \$917,839 (1.9%). The governmental-type net position increased primarily due to investment in capital assets in the current year. The business-type net position decreased primarily due to a decrease in infrastructure fees from prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,986,521, a decrease of \$2,558,342 (11.1%) in comparison with the prior fiscal year. Approximately 51% of the total fund balance, \$9,201,262, was unassigned and available for spending at the City's discretion.
- The City's total long-term debt decreased by \$1,497,588 during the current fiscal year due to scheduled payments on bond issues and capital leases, and increased due to advances on a line of credit of \$1,284,674.

#### **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, 2025

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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, 2025

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

The City maintains fourteen 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, 2025**

**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.

|                                  | Governmental<br>Activities |              | Business-type<br>Activities |            | Total<br>Primary Government |             |
|----------------------------------|----------------------------|--------------|-----------------------------|------------|-----------------------------|-------------|
|                                  | 2025                       | 2024         | 2025                        | 2024       | 2025                        | 2024        |
| <u>Assets</u>                    |                            |              |                             |            |                             |             |
| Current and other assets         | \$ 30,877,726              | 30,908,081   | 7,526,711                   | 11,207,601 | 38,404,437                  | 42,115,682  |
| Capital assets                   | 36,618,429                 | 27,882,544   | 47,741,729                  | 46,138,324 | 84,360,158                  | 74,020,868  |
| Total assets                     | 67,496,155                 | 58,790,625   | 55,268,440                  | 57,345,925 | 122,764,595                 | 116,136,550 |
| Deferred Outflows                | 3,274,939                  | 4,582,147    | 199,983                     | 244,206    | 3,474,922                   | 4,826,353   |
| <u>Liabilities</u>               |                            |              |                             |            |                             |             |
| Current liabilities              | 1,407,430                  | 762,807      | 2,602,107                   | 2,831,755  | 4,009,537                   | 3,594,562   |
| Long-term liabilities            | 25,482,908                 | 26,394,848   | 4,269,013                   | 5,243,234  | 29,751,921                  | 31,638,082  |
| Total liabilities                | 26,890,338                 | 27,157,655   | 6,871,120                   | 8,074,989  | 33,761,458                  | 35,232,644  |
| Deferred inflows                 | 14,931,755                 | 13,039,230   | -                           | -          | 14,931,755                  | 13,039,230  |
| <u>Net Position</u>              |                            |              |                             |            |                             |             |
| Net investment in capital assets | 36,618,429                 | 27,882,544   | 41,341,145                  | 38,277,039 | 77,959,574                  | 66,159,583  |
| Restricted                       | 8,785,259                  | 11,732,623   | 57,865                      | 95,743     | 8,843,124                   | 11,828,366  |
| Unrestricted                     | (16,454,687)               | (16,439,280) | 7,198,293                   | 11,142,360 | (9,256,394)                 | (5,296,920) |
| Total net position               | \$ 28,949,001              | 23,175,887   | 48,597,303                  | 49,515,142 | 77,546,304                  | 72,691,029  |

Net investment in capital assets – the largest portion 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 (11.4%) 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 deficit – the remaining balance of \$(9,256,394) is unrestricted.

The \$4,855,275 increase in net position is attributable to increases in capital assets and changes in deferred inflows and outflows.

**CITY OF MORRIS, ILLINOIS**

**Management’s Discussion and Analysis - Unaudited  
For the Year Ended April 30, 2025**

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

|                                    | Governmental<br>Activities |                   | Business-type<br>Activities |                   | Total<br>Primary Government |                   |
|------------------------------------|----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|-------------------|
|                                    | 2025                       | 2024              | 2025                        | 2024              | 2025                        | 2024              |
| Revenues:                          |                            |                   |                             |                   |                             |                   |
| Program revenues:                  |                            |                   |                             |                   |                             |                   |
| Charges for services               | \$ 734,785                 | 762,582           | 8,180,395                   | 9,520,741         | 8,915,180                   | 10,283,323        |
| Operating grants and contributions | 1,090,879                  | 464,817           | -                           | -                 | 1,090,879                   | 464,817           |
| Capital grants                     | 65,088                     | 152,553           | 113,585                     | 3,031,117         | 178,673                     | 3,183,670         |
| General revenues:                  |                            |                   |                             |                   |                             |                   |
| Property taxes                     | 10,204,531                 | 8,867,746         | -                           | -                 | 10,204,531                  | 8,867,746         |
| Sales and use taxes                | 10,372,709                 | 9,131,663         | -                           | -                 | 10,372,709                  | 9,131,663         |
| Other taxes                        | 358,183                    | 422,611           | -                           | -                 | 358,183                     | 422,611           |
| Intergovernmental revenue          | 3,830,141                  | 3,717,177         | -                           | -                 | 3,830,141                   | 3,717,177         |
| Franchise fees                     | 190,621                    | 218,927           | -                           | -                 | 190,621                     | 218,927           |
| Interest income                    | 784,407                    | 961,940           | 264,565                     | 327,376           | 1,048,972                   | 1,289,316         |
| Other                              | 571,410                    | 562,529           | -                           | -                 | 571,410                     | 562,529           |
| Total revenues                     | <u>28,202,754</u>          | <u>25,262,545</u> | <u>8,558,545</u>            | <u>12,879,234</u> | <u>36,761,299</u>           | <u>38,141,779</u> |
| Program expenses:                  |                            |                   |                             |                   |                             |                   |
| General government                 | 7,906,502                  | 6,651,465         | -                           | -                 | 7,906,502                   | 6,651,465         |
| Employee retirement costs          | 2,030,296                  | 846,856           | -                           | -                 | 2,030,296                   | 846,856           |
| Public safety                      | 5,757,451                  | 5,734,513         | -                           | -                 | 5,757,451                   | 5,734,513         |
| Transportation and public service  | 2,690,833                  | 4,072,805         | -                           | -                 | 2,690,833                   | 4,072,805         |
| Culture & recreation               | 1,254,104                  | 1,206,948         | -                           | -                 | 1,254,104                   | 1,206,948         |
| Environment                        | 287,494                    | 9,691,960         | -                           | -                 | 287,494                     | 9,691,960         |
| Community development              | 4,002,960                  | 3,597,942         | -                           | -                 | 4,002,960                   | 3,597,942         |
| Water and sewer                    | -                          | -                 | 7,093,692                   | 6,204,378         | 7,093,692                   | 6,204,378         |
| Airport Operation                  | -                          | -                 | 882,692                     | 935,594           | 882,692                     | 935,594           |
| Garbage collection and disposal    | -                          | -                 | -                           | 1,355,640         | -                           | 1,355,640         |
| Total expenses                     | <u>23,929,640</u>          | <u>31,802,489</u> | <u>7,976,384</u>            | <u>8,495,612</u>  | <u>31,906,024</u>           | <u>40,298,101</u> |
| Change in net position             | 4,273,114                  | (6,539,944)       | 582,161                     | 4,383,622         | 4,855,275                   | (2,156,322)       |
| Transfers                          | 1,500,000                  | (2,400,192)       | (1,500,000)                 | 2,400,192         | -                           | -                 |
| Net position, beginning of year    | <u>23,175,887</u>          | <u>32,534,430</u> | <u>49,515,142</u>           | <u>42,828,153</u> | <u>72,691,029</u>           | <u>75,362,583</u> |
| Prior period adjustments           | -                          | (418,407)         | -                           | (96,825)          | -                           | (515,232)         |
| Net position, end of year          | <u>\$ 28,949,001</u>       | <u>23,175,887</u> | <u>48,597,303</u>           | <u>49,515,142</u> | <u>77,546,304</u>           | <u>72,691,029</u> |

The City of Morris, Illinois’ change in net position of governmental activities was an increase of \$5,780,314 during the year.

Revenues for governmental activities was increased compared to the prior year by \$2,940,209.

Expenses for governmental activities increased by \$7,872,849 over the prior fiscal year. The change is primarily attributable to landfill closure expenditures recognized in the prior year.

Business-type activities decreased the City’s net position by (\$917,839).

## CITY OF MORRIS, ILLINOIS

### Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2025

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

The City provides airport facilities and water and sewer treatment to all residents. The City's total business-type revenues decreased by \$4,320,689 over the prior year. Most of the decrease is due to less capital grant funding compared to prior year and a decrease in infrastructure fees.

Expenses decreased by \$629,339 from the prior fiscal year. The decrease is mainly due to less capital improvements and additions compared to prior year.

#### **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 \$17,986,521, which is \$2,558,342 less than the \$20,544,863 total fund balance at April 30, 2024. \$9,201,262, or 51%, 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 \$8,785,259 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 \$2,234,460 largely due to increased property, state tax revenues, and grants.

On the expenditure side, the increase over the prior fiscal year was \$1,797,479. A large portion of the increase can be attributed to capital outlay 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 an increase of \$635,640. Revenues increased due to higher property tax collections in the current year.

Expenditures increased \$935,921 from the prior fiscal year due to capital outlay expenditures in the current year.

**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 \$4,400,000, which included a \$2,900,000 transfer from the TIF I Fund. The remaining \$1,500,000 transfer was from the water and sewer fund for capital expenditures related to water and sewer improvements.

Expenditures increased by \$5,025,636 from the prior fiscal year. The increase is primarily due to capital outlay expenditures in the current year.

## CITY OF MORRIS, ILLINOIS

### Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2025

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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 \$5,222,042 for the Water and Sewer Fund, and \$1,976,251 for the Airport Fund. At the end of the fiscal year, the City's proprietary funds reported a decrease in net position of \$4,040,892 over the prior year. Of the decrease, \$2,291,582 came from the Water and Sewer Fund, \$1,594,064 came from the Airport Fund. A discussion of all proprietary funds follows:

**Water and Sewer Fund** – The Water and Sewer Fund revenues decreased by \$79,867 due to a decrease in infrastructure fees. Operating expenses increased by \$831,276.

**Airport Fund** – The Airport Fund revenues increased by \$113,139. Most of this increase is related to an increase in fuel sales. Operating expenses decreased \$49,920 from the prior year.

**Garbage Fund** – The City is closing the Garbage Fund as result of the landfill closure from the prior year. \$155,799 of the remaining fund balance was transferred to the Water and Sewer Fund during the current year.

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

The original 2025 fiscal year budget was adopted on April 14, 2024. The comparison of General Fund original budget to the final budget is on pages 66-67 and 108-113. 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. The amended 2025 fiscal year budget was adopted on September 15, 2025.

General Fund revenues were \$2,167,109 below budget estimates.

General Fund expenditures were \$3,298,574 under budget estimates mainly due to including anticipated expenditures that did not materialize in capital outlay. 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, 2025**

**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 \$36,618,429 (net of accumulated depreciation/amortization) at April 30, 2025. Capital assets for business type activities totaled \$46,138,324 (net of accumulated depreciation) at April 30, 2025. 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             |                   |
|--------------------------|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
|                          | 2025                    | 2024              | 2025                     | 2024              | 2025              | 2024              |
| Land                     | \$ 6,528,556            | 6,528,556         | 8,948,924                | 8,496,005         | 15,477,480        | 15,024,561        |
| Construction in Progress | 5,760,223               | 1,236,851         | 1,673,730                | -                 | 7,433,953         | 1,236,851         |
| Land Improvements        | 2,619,859               | 2,780,799         | -                        | 1,459             | 2,619,859         | 2,782,258         |
| Buildings & Improvements | 11,133,007              | 7,742,108         | 1,331,480                | 1,382,441         | 12,464,487        | 9,124,549         |
| Machinery & Equipment    | 1,742,035               | 1,541,872         | 941,742                  | 849,174           | 2,683,777         | 2,391,046         |
| Vehicles                 | 662,991                 | 592,522           | 160,767                  | 107,617           | 823,758           | 700,139           |
| Infrastructure           | 8,171,758               | 7,459,836         | 34,685,086               | 35,301,627        | 42,856,844        | 42,761,463        |
| Total                    | <u>\$ 36,618,429</u>    | <u>27,882,544</u> | <u>47,741,729</u>        | <u>46,138,324</u> | <u>84,360,158</u> | <u>74,020,868</u> |

Net capital assets increased by \$10,339,290 for the 2025 fiscal year. The City expended available resources to acquire \$10,077,303 in capital asset additions during the year. These additions were reduced by the current year’s depreciation expense of \$2,448,055 (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, 2025**

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

Long-term Debt

**Long-term Debt** – At April 30, 2025, the City had total net debt outstanding of \$6,277,988, including the lease payments on right to use assets that consist of airport hangars for \$17,673, lines of credit of \$5,210,220, and the remaining balance due on the 2012 alternate revenue bond issue of \$1,050,095.

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

|  | Business-type activities |                  |
|--|--------------------------|------------------|
|  | 2025                     | 2024             |
| Refunding Bonds Alternate Revenue Source (incl. premium) | \$ 1,050,095             | 1,561,450        |
| Lines of Credit  | 5,210,220                | 4,890,342        |
| Leases - Right to Use Assets                             | 17,673                   | 39,110           |
| Total  | <u>\$ 6,277,988</u>      | <u>6,490,902</u> |

Total outstanding debt decreased by \$212,914 during the fiscal year as a result of the normal schedule of payments on existing debt, partially offset by an advance on one of the lines of credit totaling \$1,284,674. 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 2025-2026 fiscal year.

- The City’s assessed value increased by 6.84% during the current fiscal year after increasing by 12.30% 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 and was scheduled to begin during fiscal year 2025 but was delayed. The project is now scheduled to begin during fiscal year 2026.

**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, 2025

(With Comparative Figures for April 30, 2024)

|   | Governmental  | Business-type | Totals      |             |
|---|---------------|---------------|-------------|-------------|
|   | Activities    | Activities    | 2025        | 2024        |
| <u>ASSETS</u>                                   |               |               |             |             |
| Cash and cash equivalents                       | \$ 15,440,591 | 7,327,072     | 22,767,663  | 26,743,653  |
| Receivables:                                    |               |               |             |             |
| Property taxes                                  | 12,044,108    | -             | 12,044,108  | 10,112,840  |
| Sales and use taxes                             | 2,105,510     | -             | 2,105,510   | 1,293,920   |
| Income and replacement taxes                    | 747,459       | -             | 747,459     | 425,289     |
| Grants receivable                               | -             | -             | -           | 2,848,000   |
| Other taxes and fees                            | 395,862       | -             | 395,862     | 414,856     |
| Customer fees (net of allowances)               | -             | 287,052       | 287,052     | 220,780     |
| Inventory                                       | -             | 35,183        | 35,183      | 27,544      |
| Internal balances                               | 122,596       | (122,596)     | -           | -           |
| Notes receivable                                | 21,600        | -             | 21,600      | 28,800      |
| Capital assets, net of accumulated depreciation | 36,618,429    | 47,741,729    | 84,360,158  | 74,020,868  |
| Total assets                                    | 67,496,155    | 55,268,440    | 122,764,595 | 116,136,550 |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>           |               |               |             |             |
| Deferred charge on refunding                    | -             | 67,451        | 67,451      | 109,807     |
| Pension-related deferred outflows               | 3,274,939     | -             | 3,274,939   | 4,582,147   |
| Asset retirement obligation                     | -             | 132,532       | 132,532     | 134,399     |
| Total deferred outflows                         | 3,274,939     | 199,983       | 3,474,922   | 4,826,353   |
| <u>LIABILITIES</u>                              |               |               |             |             |
| Accounts payable and accrued expenses           | 847,097       | 290,495       | 1,137,592   | 1,493,777   |
| Noncurrent liabilities:                         |               |               |             |             |
| Due within one year                             | 560,333       | 600,757       | 1,161,090   | 2,100,785   |
| Due in more than one year                       | 16,419,910    | 5,979,868     | 22,399,778  | 21,615,364  |
| Net OPEB liability                              | 1,440,764     | -             | 1,440,764   | 1,117,372   |
| Net pension liability                           | 7,622,234     | -             | 7,622,234   | 8,905,346   |
| Total liabilities                               | 26,890,338    | 6,871,120     | 33,761,458  | 35,232,644  |
| <u>DEFERRED INFLOWS OF RESOURCES</u>            |               |               |             |             |
| Succeeding year property tax                    | 12,044,108    | -             | 12,044,108  | 10,112,840  |
| Pension-related deferred inflows                | 2,887,647     | -             | 2,887,647   | 2,926,390   |
| Total deferred inflows                          | 14,931,755    | -             | 14,931,755  | 13,039,230  |
| <u>NET POSITION</u>                             |               |               |             |             |
| Net investment in capital assets                | 36,618,429    | 41,341,145    | 77,959,574  | 66,159,583  |
| Restricted                                      | 8,785,259     | 57,865        | 8,843,124   | 11,828,366  |
| Unrestricted                                    | (16,454,687)  | 7,198,293     | (9,256,394) | (5,296,920) |
| Total net position                              | \$ 28,949,001 | 48,597,303    | 77,546,304  | 72,691,029  |

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

## Statement of Activities

Year Ended April 30, 2025

(With Comparative Figures for the Year Ended April 30, 2024)

|   | Program Revenues |                      |                          |                          | Net (Expense) Revenue and Changes in Net Position |                          |              |              |
|---|------------------|----------------------|--------------------------|--------------------------|---|--------------------------|--------------|--------------|
|   | Expenses         | Charges for Services | Operating                | Capital                  | Governmental Activities                           | Business-type Activities | Totals       |              |
|   |                  |                      | Grants and Contributions | Grants and Contributions |   |                          | 2025         | 2024         |
| Governmental activities:                  |                  |                      |                          |                          |   |                          |              |              |
| General government                        | \$ 7,906,502     | 248,949              | -                        | 41,255                   | (7,616,298)                                       | -                        | (7,616,298)  | (5,957,602)  |
| Employee retirement costs                 | 2,030,296        | -                    | -                        | -                        | (2,030,296)                                       | -                        | (2,030,296)  | (2,011,102)  |
| Public safety                             | 5,757,451        | 284,941              | 676,301                  | -                        | (4,796,209)                                       | -                        | (4,796,209)  | (4,772,283)  |
| Transportation and public works           | 2,690,833        | 966                  | -                        | -                        | (2,689,867)                                       | -                        | (2,689,867)  | (3,839,232)  |
| Culture and recreation                    | 1,254,104        | 98,073               | 59,800                   | 23,833                   | (1,072,398)                                       | -                        | (1,072,398)  | (885,002)    |
| Environment                               | 287,494          | -                    | -                        | -                        | (287,494)   | -                        | (287,494)    | (9,691,960)  |
| Community development                     | 4,002,960        | 101,856              | 354,778                  | -                        | (3,546,326)                                       | -                        | (3,546,326)  | (3,265,356)  |
| Total governmental activities             | 23,929,640       | 734,785              | 1,090,879                | 65,088                   | (22,038,888)                                      | -                        | (22,038,888) | (30,422,537) |
| Business-type activities:                 |                  |                      |                          |                          |   |                          |              |              |
| Water sewer                               | 7,093,692        | 7,378,087            | -                        | 25,000                   | -   | 309,395                  | 309,395      | 1,271,576    |
| Airport operation                         | 882,692          | 802,308              | -                        | 88,585                   | -   | 8,201                    | 8,201        | 2,759,692    |
| Garbage collection disposal               | -                | -                    | -                        | -                        | -   | -                        | -            | 24,978       |
| Total business-type activities            | 7,976,384        | 8,180,395            | -                        | 113,585                  | -   | 317,596                  | 317,596      | 4,056,246    |
| Total government                          | \$ 31,906,024    | 8,915,180            | 1,090,879                | 178,673                  | (22,038,888)                                      | 317,596                  | (21,721,292) | (26,366,291) |
| General revenues:                         |                  |                      |                          |                          |   |                          |              |              |
| Property taxes                            |                  |                      |                          |                          | 10,204,531  | -                        | 10,204,531   | 8,867,746    |
| Sales tax                                 |                  |                      |                          |                          | 10,372,709  | -                        | 10,372,709   | 9,131,663    |
| Other taxes                               |                  |                      |                          |                          | 358,183   | -                        | 358,183      | 422,611      |
| Intergovernmental revenue                 |                  |                      |                          |                          | 3,830,141   | -                        | 3,830,141    | 3,717,177    |
| Franchise fees                            |                  |                      |                          |                          | 190,621   | -                        | 190,621      | 218,927      |
| Interest                                  |                  |                      |                          |                          | 784,407   | 264,565                  | 1,048,972    | 1,289,316    |
| Miscellaneous                             |                  |                      |                          |                          | 571,410   | -                        | 571,410      | 562,529      |
| Total general revenues                    |                  |                      |                          |                          | 26,312,002  | 264,565                  | 26,576,567   | 24,209,969   |
| Transfers                                 |                  |                      |                          |                          | 1,500,000   | (1,500,000)              | -            | -            |
| Change in net position                    |                  |                      |                          |                          | 5,773,114   | (917,839)                | 4,855,275    | (2,156,322)  |
| Net position, beginning of year           |                  |                      |                          |                          | 23,175,887  | 49,515,142               | 72,691,029   | 75,362,583   |
| Prior Period Adjustment                   |                  |                      |                          |                          | -   | -                        | -            | (515,232)    |
| Net position, beginning of year, restated |                  |                      |                          |                          | 23,175,887  | 49,515,142               | 72,691,029   | 74,847,351   |
| Net position, end of year                 |                  |                      |                          |                          | \$ 28,949,001                                     | 48,597,303               | 77,546,304   | 72,691,029   |

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

**Balance Sheet - Governmental Funds**  
**April 30, 2025**  
**(With Comparative Figures for April 30, 2024)**

|  | General<br>Fund      | TIF I<br>Fund     | Marina TIF<br>Fund | Non-major<br>Governmental<br>Funds | Total Governmental Funds |                   |
|--|----------------------|-------------------|--------------------|------------------------------------|--------------------------|-------------------|
|  |                      |                   |                    |                                    | 2025                     | 2024              |
| <u>ASSETS</u>  |                      |                   |                    |                                    |                          |                   |
| Cash and cash equivalents  | \$ 7,120,782         | 3,476,167         | 2,537,893          | 2,743,291                          | 15,878,133               | 17,535,859        |
| Receivables:   |                      |                   |                    |                                    |                          |                   |
| Property taxes   | 2,678,888            | 7,163,796         | 57,764             | 2,143,660                          | 12,044,108               | 10,112,840        |
| Sales and use taxes  | 2,105,510            | -                 | -                  | -                                  | 2,105,510                | 1,293,920         |
| Income and replacement taxes   | 747,459              | -                 | -                  | -                                  | 747,459                  | 425,289           |
| Other taxes & fees   | 300,061              | -                 | -                  | 95,801                             | 395,862                  | 414,856           |
| Due from other funds   | 122,596              | -                 | -                  | -                                  | 122,596                  | 1,370,385         |
| Notes receivable   | -                    | 21,600            | -                  | -                                  | 21,600                   | 28,800            |
| Total assets   | <u>\$ 13,075,296</u> | <u>10,661,563</u> | <u>2,595,657</u>   | <u>4,982,752</u>                   | <u>31,315,268</u>        | <u>31,181,949</u> |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</u> |                      |                   |                    |                                    |                          |                   |
| Liabilities:   |                      |                   |                    |                                    |                          |                   |
| Overdraft payable  | \$ -                 | -                 | -                  | 437,542                            | 437,542                  | 17,188            |
| Accounts payable   | 723,239              | 11,847            | 38,506             | 38,610                             | 812,202                  | 361,945           |
| Accrued payroll  | 34,365               | 530               | -                  | -                                  | 34,895                   | 145,113           |
| Total liabilities  | <u>757,604</u>       | <u>12,377</u>     | <u>38,506</u>      | <u>476,152</u>                     | <u>1,284,639</u>         | <u>524,246</u>    |
| Deferred inflows of resources:   |                      |                   |                    |                                    |                          |                   |
| Succeeding year property tax   | 2,678,888            | 7,163,796         | 57,764             | 2,143,660                          | 12,044,108               | 10,112,840        |
| Total deferred inflows   | <u>2,678,888</u>     | <u>7,163,796</u>  | <u>57,764</u>      | <u>2,143,660</u>                   | <u>12,044,108</u>        | <u>10,112,840</u> |
| Fund balances:   |                      |                   |                    |                                    |                          |                   |
| Restricted   | -                    | 3,485,390         | 2,499,387          | 2,800,482                          | 8,785,259                | 11,739,166        |
| Unassigned   | 9,638,804            | -                 | -                  | (437,542)                          | 9,201,262                | 8,805,697         |
| Total fund balances  | <u>9,638,804</u>     | <u>3,485,390</u>  | <u>2,499,387</u>   | <u>2,362,940</u>                   | <u>17,986,521</u>        | <u>20,544,863</u> |
| Total liabilities, deferred inflows of resources, and fund balances      | <u>\$ 13,075,296</u> | <u>10,661,563</u> | <u>2,595,657</u>   | <u>4,982,752</u>                   | <u>31,315,268</u>        | <u>31,181,949</u> |

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

**Balance Sheet - Governmental Funds**  
**April 30, 2025**  
 (With Comparative Figures for April 30, 2024)

|   | 2025                 | 2024              |
|---|----------------------|-------------------|
| <b>Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:</b>   |                      |                   |
| Total governmental fund balances  | \$ 17,986,521        | 20,544,863        |
| 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 \$89,530,950 and the accumulated depreciation is \$52,912,521. | 36,618,429           | 27,882,544        |
| 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   | 3,274,939            | 4,582,147         |
| Deferred inflows of resources - pensions  | (2,887,647)          | (2,926,390)       |
| 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  | (15,937,024)         | (15,937,024)      |
| Compensated absences  | (1,043,219)          | (947,535)         |
| Net OPEB liability  | (1,440,764)          | (1,117,372)       |
| Net pension liability / asset   | (7,622,234)          | (8,905,346)       |
| Net position of governmental activities   | <u>\$ 28,949,001</u> | <u>23,175,887</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, 2025**  
**(With Comparative Figures for the Year Ended April 30, 2024)**

|   | General           | Tax Increment    | Marina                       | Non-major        | Total Governmental Funds |                   |
|---|-------------------|------------------|------------------------------|------------------|--------------------------|-------------------|
|   | Fund              | Financing Fund I | Tax Increment Financing Fund | Funds            | 2025                     | 2024              |
| Revenues:   |                   |                  |                              |                  |                          |                   |
| Property taxes  | \$ 2,659,942      | 6,637,293        | 44,612                       | 862,684          | 10,204,531               | 8,867,746         |
| Sales and use taxes                                       | 10,372,709        | -                | -                            | -                | 10,372,709               | 9,131,663         |
| Other taxes   | -                 | -                | -                            | 358,183          | 358,183                  | 422,611           |
| Intergovernmental revenue                                 | 3,189,993         | -                | -                            | 640,148          | 3,830,141                | 3,717,177         |
| Licenses and permits                                      | 232,754           | -                | -                            | -                | 232,754                  | 327,281           |
| Franchise fees  | 190,621           | -                | -                            | -                | 190,621                  | 218,927           |
| Charges for services                                      | 200,895           | -                | -                            | -                | 200,895                  | 212,255           |
| Grants  | 676,301           | -                | -                            | 20,000           | 696,301                  | 122,006           |
| Donations   | -                 | -                | -                            | 59,800           | 59,800                   | 108,650           |
| Fines   | 274,412           | -                | -                            | 26,724           | 301,136                  | 223,046           |
| Interest  | 217,517           | 400,124          | 45,701                       | 121,065          | 784,407                  | 961,940           |
| Other   | 879,866           | 63,301           | 79                           | 28,030           | 971,276                  | 949,243           |
| <b>Total revenues</b>                                     | <b>18,895,010</b> | <b>7,100,718</b> | <b>90,392</b>                | <b>2,116,634</b> | <b>28,202,754</b>        | <b>25,262,545</b> |
| Expenditures:   |                   |                  |                              |                  |                          |                   |
| Current:  |                   |                  |                              |                  |                          |                   |
| General government  | 3,577,733         | 312,194          | 177,498                      | 180,988          | 4,248,413                | 4,882,399         |
| Employee retirement costs                                 | 1,396,332         | -                | -                            | 633,964          | 2,030,296                | 2,011,102         |
| Public safety   | 5,856,942         | -                | -                            | 23,772           | 5,880,714                | 5,648,123         |
| Transportation and public service                         | 2,643,715         | -                | -                            | 294,461          | 2,938,176                | 2,750,258         |
| Culture and recreation                                    | 717,271           | -                | -                            | 451,177          | 1,168,448                | 1,098,279         |
| Environment   | -                 | -                | 287,493                      | 1                | 287,494                  | 123,555           |
| Community development                                     | -                 | 3,989,576        | 13,384                       | -                | 4,002,960                | 3,597,942         |
| Capital outlay  | 3,887,098         | 1,473,614        | 5,168,277                    | 1,175,606        | 11,704,595               | 3,866,671         |
| <b>Total expenditures</b>                                 | <b>18,079,091</b> | <b>5,775,384</b> | <b>5,646,652</b>             | <b>2,759,969</b> | <b>32,261,096</b>        | <b>23,978,329</b> |
| Excess (deficiency) of revenues over (under) expenditures | 815,919           | 1,325,334        | (5,556,260)                  | (643,335)        | (4,058,342)              | 1,284,216         |
| Other financing sources (uses):                           |                   |                  |                              |                  |                          |                   |
| Transfers in (out)  | -                 | (2,900,000)      | 4,400,000                    | -                | 1,500,000                | (2,400,192)       |
| Changes in fund balances                                  | 815,919           | (1,574,666)      | (1,156,260)                  | (643,335)        | (2,558,342)              | (1,115,976)       |
| Fund balances, beginning of year                          | 8,822,885         | 5,060,056        | 3,655,647                    | 3,006,275        | 21,660,839               | 21,213,373        |
| Prior Period Adjustment                                   | -                 | -                | -                            | -                | -                        | 447,466           |
| Fund balances, beginning of year, restated                | 8,822,885         | 5,060,056        | 3,655,647                    | 3,006,275        | 20,544,863               | 21,660,839        |
| Fund balances, end of year                                | \$ 9,638,804      | 3,485,390        | 2,499,387                    | 2,362,940        | 17,986,521               | 20,544,863        |

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, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|  | 2025                | 2024               |
|--|---------------------|--------------------|
| <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   | \$ (2,558,342)      | (1,115,976)        |
| 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  | 10,077,303          | 2,315,434          |
| Depreciation expense   | (1,341,418)         | (1,701,812)        |
| 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   | 1,396,332           | 1,338,214          |
| City OPEB contributions  | 53,834              | 66,339             |
| Cost of pension benefits incurred net of employee contributions  | (1,381,685)         | (192,984)          |
| Cost of OPEB benefits incurred net of employee contributions   | (377,226)           | (47,323)           |
| 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:   |                     |                    |
| Landfill closure   | -                   | (9,568,405)        |
| Compensated absences   | (95,684)            | (33,623)           |
| Change in net position of governmental activities  | <u>\$ 5,773,114</u> | <u>(8,940,136)</u> |

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

**Statement of Net Position - Proprietary Funds**  
**April 30, 2025**  
**(With Comparative Figures for April 30, 2024)**

|   | Enterprise Funds        |              |                 |            |            |
|---|-------------------------|--------------|-----------------|------------|------------|
|   | Water and<br>Sewer Fund | Airport Fund | Garbage<br>Fund | Total      |            |
|   |                         |              |                 | 2025       | 2024       |
| <u>ASSETS</u>                             |                         |              |                 |            |            |
| Current assets:                           |                         |              |                 |            |            |
| Cash and cash equivalents                 | \$ 5,470,183            | 1,856,889    | -               | 7,327,072  | 9,224,982  |
| Accounts receivable, net                  | 167,363                 | 119,689      | -               | 287,052    | 220,780    |
| Grants receivable                         | -                       | -            | -               | -          | 2,848,000  |
| Inventory                                 | -                       | 35,183       | -               | 35,183     | 27,544     |
| Total current assets                      | 5,637,546               | 2,011,761    | -               | 7,649,307  | 12,321,306 |
| Noncurrent assets:                        |                         |              |                 |            |            |
| Land                                      | 613,374                 | 8,335,551    | -               | 8,948,925  | 8,496,006  |
| Other capital assets, net of depreciation | 37,295,877              | 1,496,927    | -               | 38,792,804 | 37,642,318 |
| Total noncurrent assets                   | 37,909,251              | 9,832,478    | -               | 47,741,729 | 46,138,324 |
| Total assets                              | 43,546,797              | 11,844,239   | -               | 55,391,036 | 58,459,630 |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>     |                         |              |                 |            |            |
| Asset retirement obligation               | 132,532                 | -            | -               | 132,532    | 134,399    |
| Deferred charge on refunding              | 67,451                  | -            | -               | 67,451     | 109,807    |
|   | 199,983                 | -            | -               | 199,983    | 244,206    |
| <u>LIABILITIES</u>                        |                         |              |                 |            |            |
| Current liabilities:                      |                         |              |                 |            |            |
| Accounts payable & accrued expenses       | 282,985                 | 7,510        | -               | 290,495    | 986,719    |
| Compensated absences                      | 48,999                  | 12,730       | -               | 61,729     | 91,180     |
| Due to other funds                        | -                       | 122,596      | -               | 122,596    | 1,370,385  |
| Line of credit payable                    | -                       | -            | -               | -          | 964,386    |
| Lease payable                             | -                       | 17,673       | -               | 17,673     | 21,437     |
| Revenue bonds payable                     | 521,355                 | -            | -               | 521,355    | 511,353    |
| Total current liabilities                 | 853,339                 | 160,509      | -               | 1,013,848  | 3,945,460  |
| Non-current liabilities:                  |                         |              |                 |            |            |
| Compensated absences                      | 85,638                  | 15,270       | -               | 100,908    | 109,510    |
| Line of credit                            | 5,210,220               | -            | -               | 5,210,220  | 3,925,956  |
| Lease payable                             | -                       | -            | -               | -          | 17,673     |
| Asset retirement obligation               | 140,000                 | -            | -               | 140,000    | 140,000    |
| Revenue bonds payable                     | 528,740                 | -            | -               | 528,740    | 1,050,095  |
| Total non-current liabilities             | 5,964,598               | 15,270       | -               | 5,979,868  | 5,243,234  |
| Total liabilities                         | 6,817,937               | 175,779      | -               | 6,993,716  | 9,188,694  |
| <u>NET POSITION</u>                       |                         |              |                 |            |            |
| Net investment in capital assets          | 31,648,936              | 9,692,209    | -               | 41,341,145 | 38,277,039 |
| Restricted                                | 57,865                  | -            | -               | 57,865     | 95,743     |
| Unrestricted                              | 5,222,042               | 1,976,251    | -               | 7,198,293  | 11,142,360 |
| Total net position                        | \$ 36,928,843           | 11,668,460   | -               | 48,597,303 | 49,515,142 |

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, 2025**  
**(With Comparative Figures for the Year Ended April 30, 2024)**

|   | Enterprise Funds     |              |              | Total       |            |
|---|----------------------|--------------|--------------|-------------|------------|
|   | Water and Sewer Fund | Airport Fund | Garbage Fund | 2025        | 2024       |
| Operating revenues:                       |                      |              |              |             |            |
| Water and sewer sales                     | \$ 5,793,098         | -            | -            | 5,793,098   | 5,513,458  |
| Infrastructure fees                       | -                    | -            | -            | -           | 1,738,187  |
| Collection fees                           | 1,450,232            | -            | -            | 1,450,232   | 1,411,055  |
| Tap on fees/meters                        | 79,295               | -            | -            | 79,295      | 127,500    |
| Facilities rental                         | -                    | 312,765      | -            | 312,765     | 324,332    |
| Fuel sales                                | -                    | 429,939      | -            | 429,939     | 360,683    |
| Miscellaneous revenue                     | 55,462               | 59,604       | -            | 115,066     | 45,526     |
| Total operating revenues                  | 7,378,087            | 802,308      | -            | 8,180,395   | 9,520,741  |
| Operating expenses:                       |                      |              |              |             |            |
| Personal services                         | 1,796,550            | 265,136      | -            | 2,061,686   | 1,951,703  |
| Contractual services                      | 1,216,970            | 147,471      | -            | 1,364,441   | 2,910,632  |
| Commodities                               | 743,622              | 322,126      | -            | 1,065,748   | 1,029,279  |
| Capital outlay/maintenance                | 623,547              | 28,510       | -            | 652,057     | 1,177,953  |
| Depreciation and amortization             | 997,015              | 109,622      | -            | 1,106,637   | 1,130,260  |
| Other expenses                            | 1,576,225            | 6,837        | -            | 1,583,062   | 208,087    |
| Total operating expenses                  | 6,953,929            | 879,702      | -            | 7,833,631   | 8,407,914  |
| Operating income (loss)                   | 424,158              | (77,394)     | -            | 346,764     | 1,112,827  |
| Non-operating revenues (expenses):        |                      |              |              |             |            |
| Bank service fees                         | (750)                | -            | -            | (750)       | (350)      |
| State and federal grants                  | 25,000               | 88,585       | -            | 113,585     | 3,031,117  |
| Interest income                           | 237,541              | 26,471       | 553          | 264,565     | 327,376    |
| Interest expense                          | (139,013)            | (2,990)      | -            | (142,003)   | (87,347)   |
| Total non-operating revenues (expenses)   | 122,778              | 112,066      | 553          | 235,397     | 3,270,796  |
| Income (loss) before transfers            | 546,936              | 34,672       | 553          | 582,161     | 4,383,623  |
| Transfers in (out)                        | (1,344,201)          | -            | (155,799)    | (1,500,000) | 2,400,192  |
| Change in net position                    | (797,265)            | 34,672       | (155,246)    | (917,839)   | 6,783,815  |
| Net position, beginning of year           | 37,726,108           | 11,633,788   | 155,246      | 49,515,142  | 42,828,152 |
| Prior Period Adjustment                   | -                    | -            | -            | -           | (96,825)   |
| Net position, beginning of year, restated | 37,726,108           | 11,633,788   | 155,246      | 49,515,142  | 42,731,327 |
| Net position, end of year                 | \$ 36,928,843        | 11,668,460   | -            | 48,597,303  | 49,515,142 |

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

**Statement of Cash Flows - Proprietary Funds**  
**Year Ended April 30, 2025**  
**(With Comparative Figures for the Year Ended April 30, 2024)**

|  | Enterprise Funds    |                  |               |                  |                    |
|--|---------------------|------------------|---------------|------------------|--------------------|
|  | Water and           | Airport Fund     | Garbage Fund  | Total            |                    |
|  | Sewer Fund          |                  |               | 2025             | 2024               |
| Cash flows from operating activities:  |                     |                  |               |                  |                    |
| Receipts from customers  | \$ 7,331,664        | 637,876          | 29,517        | 7,999,057        | 9,435,882          |
| Other operation receipts   | 55,462              | 59,604           | -             | 115,066          | 45,526             |
| Payments to suppliers  | (4,783,386)         | (599,274)        | -             | (5,382,660)      | (4,643,385)        |
| Payments to employees  | (1,819,506)         | (280,233)        | -             | (2,099,739)      | (1,984,479)        |
| Net cash provided by (used in) operating activities  | <u>784,234</u>      | <u>(182,027)</u> | <u>29,517</u> | <u>631,724</u>   | <u>2,853,544</u>   |
| Cash flows from noncapital financing activities:   |                     |                  |               |                  |                    |
| Internal advances  | (1,344,201)         | (1,247,789)      | (155,799)     | (2,747,789)      | 2,400,192          |
| Cash flows from capital and related financing activities:  |                     |                  |               |                  |                    |
| Line of credit proceeds  | 1,284,674           | -                | -             | 1,284,674        | 2,521,092          |
| Capital assets acquired  | (2,255,256)         | (452,919)        | -             | (2,708,175)      | (6,381,886)        |
| Principal & interest on capital leases   | -                   | (24,427)         | -             | (24,427)         | (43,209)           |
| Principal & interest on alternate revenue bonds  | (1,560,067)         | -                | -             | (1,560,067)      | (4,851)            |
| Grant receipts   | 25,000              | 2,936,585        | -             | 2,961,585        | 183,117            |
| Net cash provided by (used in) capital financing activities  | <u>(2,505,649)</u>  | <u>2,459,239</u> | <u>-</u>      | <u>(46,410)</u>  | <u>(3,725,737)</u> |
| Cash flows from investing activities:  |                     |                  |               |                  |                    |
| Interest received  | 237,541             | 26,471           | 553           | 264,565          | 327,376            |
| Net change in cash and cash equivalents  | (2,828,075)         | 1,055,894        | (125,729)     | (1,897,910)      | 1,855,375          |
| Cash and cash equivalents, beginning of year   | 8,298,258           | 800,995          | 125,729       | 9,224,982        | 7,369,607          |
| Cash and cash equivalents, end of year   | <u>\$ 5,470,183</u> | <u>1,856,889</u> | <u>-</u>      | <u>7,327,072</u> | <u>9,224,982</u>   |
| <b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b> |                     |                  |               |                  |                    |
| Operating income (loss)  | \$ 424,158          | (77,394)         | -             | 346,764          | 1,112,826          |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities:        |                     |                  |               |                  |                    |
| Depreciation   | 997,015             | 109,622          | -             | 1,106,637        | 1,130,260          |
| Effects of changes in operating assets and liabilities:  |                     |                  |               |                  |                    |
| (Increase) decrease in accounts receivable   | 9,039               | (104,828)        | 29,517        | (66,272)         | (39,333)           |
| (Increase) decrease in grants receivable   | -                   | -                | -             | -                | -                  |
| (Increase) decrease in inventory   | -                   | (7,639)          | -             | (7,639)          | 36,737             |
| Increase (decrease) in accounts payable  | (623,022)           | (86,691)         | -             | (709,713)        | 645,830            |
| Increase in compensated absences   | (22,956)            | (15,097)         | -             | (38,053)         | (32,776)           |
| Net cash provided by (used in) operating activities  | <u>\$ 784,234</u>   | <u>(182,027)</u> | <u>29,517</u> | <u>631,724</u>   | <u>2,853,544</u>   |

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

Statement of Fiduciary Net Position  
 April 30, 2025  
 (With Comparative Figures for April 30, 2024)

|                                    | Police                | Custodial      | Totals            |                   |
|------------------------------------|-----------------------|----------------|-------------------|-------------------|
|                                    | Pension<br>Trust Fund | Fund           | 2025              | 2024              |
| <u>ASSETS</u>                      |                       |                |                   |                   |
| Cash and cash equivalents          | \$ 4,810,531          | 178,266        | 4,988,797         | 3,238,638         |
| Investments:                       |                       |                |                   |                   |
| Mutual funds                       | -                     | -              | -                 | 6,451             |
| Pooled investments                 | 20,319,160            | -              | 20,319,160        | 19,964,607        |
| Prepaid expenses                   | 400                   | -              | 400               | 483               |
| Total assets                       | <u>25,130,091</u>     | <u>178,266</u> | <u>25,308,357</u> | <u>23,210,179</u> |
| <u>LIABILITIES</u>                 |                       |                |                   |                   |
| Accounts payable                   | 1,387                 | -              | 1,387             | 8,275             |
| Payable to others                  | -                     | 178,266        | 178,266           | 232,311           |
| Total liabilities                  | <u>1,387</u>          | <u>178,266</u> | <u>179,653</u>    | <u>240,586</u>    |
| <u>NET POSITION</u>                |                       |                |                   |                   |
| Held in trust for pension benefits | <u>\$ 25,128,704</u>  | <u>-</u>       | <u>25,128,704</u> | <u>22,969,593</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, 2025**  
**(With Comparative Figures for the Year Ended April 30, 2024)**

|  | Police Pension<br>Trust Fund |            |
|--|------------------------------|------------|
|  | 2025                         | 2024       |
| Additions:                                 |                              |            |
| Contributions:                             |                              |            |
| Employer contributions                     | \$ 1,396,332                 | 1,338,214  |
| Plan member contributions                  | 333,044                      | 264,118    |
| Total contributions                        | 1,729,376                    | 1,602,332  |
| Net investment income:                     |                              |            |
| Net change in fair value of investments    | 1,805,726                    | 1,513,050  |
| Investment income                          | 265,262                      | 269,008    |
| Total investment income                    | 2,070,988                    | 1,782,058  |
| Less: Investment expense                   | (13,795)                     | (10,088)   |
| Net investment income                      | 2,057,193                    | 1,771,970  |
| Total additions                            | 3,786,569                    | 3,374,302  |
| Deductions:                                |                              |            |
| Administrative                             | 93,802                       | 42,295     |
| Benefit payments, including member refunds | 1,533,656                    | 1,545,229  |
| Total deductions                           | 1,627,458                    | 1,587,524  |
| Changes in net position                    | 2,159,111                    | 1,786,778  |
| Net position, beginning of year            | 22,969,593                   | 21,182,815 |
| Net position, end of year                  | \$ 25,128,704                | 22,969,593 |

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

***NOTES TO BASIC FINANCIAL STATEMENTS***

## CITY OF MORRIS, ILLINOIS

### Notes to Basic Financial Statements For the Year Ended April 30, 2025

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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.

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2025**

**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:

|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total<br/>Government</u> |
|---|------------------------------------|-------------------------------------|-----------------------------|
| Capital Assets, net of accumulated deprecatic | \$ 36,618,429                      | 47,741,729                          | 84,360,158                  |
| Less:   |                                    |                                     |                             |
| Loan from General Fund                        | -                                  | (122,596)                           | (122,596)                   |
| Leases payable                                | -                                  | (17,673)                            | (17,673)                    |
| Line of credit payable                        | -                                  | (5,210,220)                         | (5,210,220)                 |
| Revenue bonds payable                         | -                                  | (1,050,095)                         | (1,050,095)                 |
| Net investment in capital assets              | <u>\$ 36,618,429</u>               | <u>41,341,145</u>                   | <u>77,959,574</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.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

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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. During the year ended April 30, 2025, the fund was closed and the balances were transferred to the Water/Sewer 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.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

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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, 2025

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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.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

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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.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

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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 2023 property tax levy (\$3,116,077) are used to finance the operating budget of the fiscal year ending April 30, 2025. Although the 2024 property tax levy receivable has been recorded, the related revenue (\$3,293,931) is deferred in both the government-wide and fund financial statements. Recognition of revenue is deferred until the year it is intended to finance. Additional property tax information is on page 118.

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.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

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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)*

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, 2025, 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.

| <u>Category</u>                     | <u>Life Range<br/>(Years)</u> | <u>Threshold</u> |
|-------------------------------------|-------------------------------|------------------|
| 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           |

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

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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 \$1,205,856 as of April 30, 2025. See Note 6 for further information.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

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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, 2025

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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, 2025

**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.

*F. Change in Accounting Standards*

While GASB 96 was in effect as of April 30, 2025, there were no agreements that met the requirements of this pronouncement. The City implemented GASB101 effective May 1, 2024. See note 19 for detail on the prior period adjustment that was made due to this implementation.

**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 \$22,767,663, including petty cash, and excluding fiduciary fund balances, and bank balances totaled \$23,257,317. \$1,000,000 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, 2025, are as follows:

|  | <u>Bank<br/>Balance</u> | <u>Carrying<br/>Amount</u> |
|--|-------------------------|----------------------------|
| Bank demand deposits/NOW accounts      | \$ 23,257,317           | 22,767,663                 |
| Total cash and cash equivalents - City | <u>\$ 23,257,317</u>    | <u>22,767,663</u>          |
| Fiduciary Funds                        | \$ 4,988,797            | 4,988,797                  |
| Total cash and cash equivalents        | <u>\$ 28,246,114</u>    | <u>27,756,460</u>          |

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2025**

**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, 2025, the Police Pension Trust Fund had the following investments in pooled investments held by the Illinois Police Officers' Pension Investment Fund (IPOPIF), which is the only investment subject to interest rate risk:

|                               | Remaining Maturity |                    |           |            |             |
|-------------------------------|--------------------|--------------------|-----------|------------|-------------|
|                               | Fair Value         | Less than One Year | 1-5 Years | 6-10 Years | 11-15 Years |
| Pooled Investments            | \$ 20,319,160      | 20,319,160         | -         | -          | -           |
| Total Fixed Income Securities | \$ 20,319,160      | 20,319,160         | -         | -          | -           |

Concentration of Credit Risk

Police Pension Fund is invested in IPOPIF pooled investment. It is unknown if the Police Pension Fund held investments in any one organization that represented 5% or more of total investments.

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2025**

**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<br>April 30, 2025 | Fair Value Measurements Using   |  |  |
|--------------------|------------------------------|---|--|--|
|                    |                              | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Pooled Investments | \$ 20,319,160                | 20,319,160  | -  | -  |
| Total investments  | \$ 20,319,160                | 20,319,160  | -  | -  |

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.

**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.

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2025**

**NOTE 5: CHANGES IN CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended April 30, 2025, was as follows:

|   | Balance as of<br>May 1, 2024 | Additions         | Deletions      | Balance as of<br>April 30, 2025 |
|---|------------------------------|-------------------|----------------|---------------------------------|
| Capital assets not being depreciated:       |                              |                   |                |                                 |
| Land  | \$ 6,528,556                 | -                 | -              | 6,528,556                       |
| Construction in progress                    | 1,236,851                    | 4,909,145         | 385,773        | 5,760,223                       |
| Total capital assets not being depreciated  | <u>7,765,407</u>             | <u>4,909,145</u>  | <u>385,773</u> | <u>12,288,779</u>               |
| Capital assets being depreciated:           |                              |                   |                |                                 |
| Land improvements                           | 4,610,722                    | -                 | -              | 4,610,722                       |
| Buildings & Improvements                    | 11,109,077                   | 3,734,585         | -              | 14,843,662                      |
| Machinery & equipment                       | 3,158,785                    | 432,993           | -              | 3,591,778                       |
| Vehicles                                    | 3,077,777                    | 275,298           | -              | 3,353,075                       |
| Infrastructure                              | 49,731,879                   | 1,111,055         | -              | 50,842,934                      |
| Total capital assets being depreciated      | <u>71,688,240</u>            | <u>5,553,931</u>  | <u>-</u>       | <u>77,242,171</u>               |
| Total capital assets                        | <u>79,453,647</u>            | <u>10,463,076</u> | <u>385,773</u> | <u>89,530,950</u>               |
| Less accumulated depreciation:              |                              |                   |                |                                 |
| Land improvements                           | 1,829,923                    | 160,940           | -              | 1,990,863                       |
| Buildings & improvements                    | 3,366,969                    | 343,686           | -              | 3,710,655                       |
| Machinery & equipment                       | 1,616,913                    | 232,830           | -              | 1,849,743                       |
| Vehicles                                    | 2,485,255                    | 204,829           | -              | 2,690,084                       |
| Infrastructure                              | 42,272,043                   | 399,133           | -              | 42,671,176                      |
| Total accumulated depreciation:             | <u>51,571,103</u>            | <u>1,341,418</u>  | <u>-</u>       | <u>52,912,521</u>               |
| Total capital assets being depreciated, net | <u>20,117,137</u>            | <u>4,212,513</u>  | <u>-</u>       | <u>24,329,650</u>               |
| Governmental activities capital assets, net | <u>\$ 27,882,544</u>         | <u>9,121,658</u>  | <u>385,773</u> | <u>36,618,429</u>               |

Depreciation for governmental activities in the current fiscal year was \$1,341,418 and was allocated as follows:

|  |                     |
|--|---------------------|
| General Government                           | \$ 145,197          |
| Public Safety                                | 68,095              |
| Transportation & Public Service              | 1,042,470           |
| Culture & Recreation                         | 85,656              |
| Total Depreciation - Governmental Activities | <u>\$ 1,341,418</u> |

Significant capital additions for the year included the West Side Park Shelter Project (\$2,300,721), 2025 Steet Improvement Project (\$998,055), Goodwill Park Improvement Project (\$756,177), HVAC System Replacement (\$431,566), Skate Park Project (\$246,121), five 2025 Ford Police Interceptor Squad Cars (\$145,413), two fire hydrants (\$113,000), and Westside Park Playground Equipment (\$110,803).

Construction in progress at April 30, 2025, included the Calhoun Street Bridge Replacement Project (\$520,022) and the Public Works Facility (\$5,240,201). The Goodwill Park Renovation Project was completed during the year and removed from construction in progress and added to buildings and improvements.

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2025**

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

Capital asset activity for business-type activities for the year ended April 30, 2025, was as follows:

|  | Balance as of<br>May 1, 2024 | Additions        | Deletions | Balance as of<br>April 30, 2025 |
|--|------------------------------|------------------|-----------|---------------------------------|
| Capital assets not being depreciated:        |                              |                  |           |                                 |
| Land   | \$ 8,496,005                 | 452,919          | -         | 8,948,924                       |
| Construction in progress                     | -                            | 1,673,730        | -         | 1,673,730                       |
| Total capital assets not being depreciated   | <u>8,496,005</u>             | <u>2,126,649</u> | <u>-</u>  | <u>10,622,654</u>               |
| Depreciable capital assets:                  |                              |                  |           |                                 |
| Land improvements                            | 58,345                       | -                | -         | 58,345                          |
| Buildings & improvements                     | 2,393,426                    | -                | -         | 2,393,426                       |
| Machinery & equipment                        | 1,467,587                    | 195,025          | -         | 1,662,612                       |
| Vehicles                                     | 569,249                      | 83,490           | -         | 652,739                         |
| Infrastructure                               | 66,971,027                   | 303,011          | -         | 67,274,038                      |
| Total depreciable capital assets:            | <u>71,459,634</u>            | <u>581,526</u>   | <u>-</u>  | <u>72,041,160</u>               |
| Total capital assets                         | <u>79,955,639</u>            | <u>2,708,175</u> | <u>-</u>  | <u>82,663,814</u>               |
| Less accumulated depreciation:               |                              |                  |           |                                 |
| Land improvements                            | 56,886                       | 1,459            | -         | 58,345                          |
| Buildings & improvements                     | 1,010,985                    | 50,961           | -         | 1,061,946                       |
| Machinery & equipment                        | 618,413                      | 102,457          | -         | 720,870                         |
| Vehicles                                     | 461,632                      | 30,340           | -         | 491,972                         |
| Infrastructure                               | 31,669,400                   | 919,552          | -         | 32,588,952                      |
| Total accumulated depreciation               | <u>33,817,316</u>            | <u>1,104,769</u> | <u>-</u>  | <u>34,922,085</u>               |
| Total capital assets being depreciated, net  | <u>37,642,318</u>            | <u>(523,243)</u> | <u>-</u>  | <u>37,119,075</u>               |
| Business-type activities capital assets, net | <u>\$ 46,138,323</u>         | <u>1,603,406</u> | <u>-</u>  | <u>47,741,729</u>               |

Depreciation expense for business-type activities in the current fiscal year was \$1,104,769 and was charged as follows:

|  |                     |
|--|---------------------|
| Water/Sewer                                  | \$ 995,148          |
| Airport                                      | <u>109,621</u>      |
| Total Deprecation - Business-Type Activities | <u>\$ 1,104,769</u> |

Significant capital additions for the year included land for the Airport Runway Expansion (\$452,919), Lisbon Road Water Tower Improvements (\$303,011), and Wastewater Plant Clarifier Rehab (\$99,900).

Construction in progress at April 30, 2025, included the Water & Sewer Expansion Project (\$886,096), Sewer Rehab Project (\$730,074), and Softener Media Replacement Project (\$57,560).

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2025**

**NOTE 6: LONG-TERM LIABILITIES**

Long-term liability activity for the year ended April 30, 2025, was as follows:

|  | Balance at<br>May 1, 2024,<br>Restated | Additions        | Deductions       | Balance at<br>April 30, 2025 | Due Within<br>One Year |
|--|--|------------------|------------------|------------------------------|------------------------|
| Governmental Activities:                                   |  |                  |                  |                              |                        |
| Landfill Closure (Note 11)                                 | \$ 15,937,024                          | -                | -                | 15,937,024                   | -                      |
| Compensated Absences (Note 1)                              | 947,535                                | 95,684           | -                | 1,043,219                    | 560,333                |
| Total OPEB Liability (Note 9)                              | 1,117,372                              | 450,506          | 127,114          | 1,440,764                    | -                      |
| Net Pension Liability (Note 8)                             | 8,905,346                              | 5,929,894        | 7,213,006        | 7,622,234                    | -                      |
| <b>Total Governmental Activities</b>                       | <b>\$ 26,907,277</b>                   | <b>6,476,084</b> | <b>7,340,120</b> | <b>26,043,241</b>            | <b>560,333</b>         |
| Business-type Activities:                                  |  |                  |                  |                              |                        |
| General Obligation Waterworks and Sewerage Refunding Bonds |  |                  |                  |                              |                        |
| (Alt. Rev Source) Series 2012                              | \$ 1,545,000                           | -                | 505,000          | 1,040,000                    | 515,000                |
| Bond Premium/(Discount), Net                               | 16,450                                 | -                | 6,355            | 10,095                       | 6,355                  |
| Line of Credit - Busey Bank                                | 4,270,231                              | -                | 964,796          | 3,305,435                    | -                      |
| Line of Credit - Grundy Bank                               | 620,111                                | 1,284,674        | -                | 1,904,785                    | -                      |
| Asset retirement obligation                                | 140,000                                | -                | -                | 140,000                      | -                      |
| Leases - Right to Use                                      | 39,110                                 | -                | 21,437           | 17,673                       | 17,673                 |
| Compensated Absences (Note 1)                              | 200,686                                | -                | 38,049           | 162,637                      | 61,729                 |
| <b>Total Business-type activities</b>                      | <b>\$ 6,831,588</b>                    | <b>1,284,674</b> | <b>1,535,637</b> | <b>6,580,625</b>             | <b>600,757</b>         |

Beginning balances for compensated absences have been restated to implement GASB 101.

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 \$142,003 on long-term debt has been directly charged to business-type activities as follows: Water and Sewer Fund - \$139,013 and Airport Fund - \$2,990.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

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

**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.

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.

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2025**

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

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

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

| Year Ending<br>April 30, | Principal           | Interest      | Total P&I        |
|--------------------------|---------------------|---------------|------------------|
| 2026                     | \$ 515,000          | 23,405        | 538,405          |
| 2027                     | 525,000             | 12,075        | 537,075          |
|                          | <u>\$ 1,040,000</u> | <u>35,480</u> | <u>1,075,480</u> |

**Busey Bank Line of Credit**

The City has an available \$5,000,000 line of credit carrying an interest rate of 2.8% with Busey Bank on which it can draw for construction costs on the Water Tower Project. As of April 30, 2025, the City has drawn \$3,305,435. The line of credit is due on May 17, 2028.

**Grundy Bank Line of Credit**

The City has an available \$7,000,000 line of credit carrying an interest rate of 4.8% with Grundy Bank on which it can draw for construction costs on the Sanitary Sewer Rehabilitation Project. As of April 30, 2025, the City has drawn \$1,904,785. The line of credit is due on February 7, 2031.

**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.

**Lease Liabilities**

**Corporate Hangar Lease**

On August 21, 2019, the City entered into a lease agreement with Grundy Bank for financing for the construction of airport hangars in the amount of \$250,000. In 2019, the City refinanced the remaining balance on the lease of \$92,471. The lease has an interest rate of 4.75% and matures on July 10, 2024. The lease was paid in full during the current year.

**Kubota Equipment Lease**

On December 8, 2023, the City entered into a lease agreement with Kubota for equipment in the amount of \$48,938. The lease has an interest rate of 8.60% and matures on December 8, 2025. The lease has a current balance of \$17,673 and will be paid out of the Airport Fund.

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2025**

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

The lease agreements are summarized as follows:

| Description | Date      | Payment Terms | Payment Amount | Interest Rate | Total Lease Liability | Balance April 30, 2025 |
|-------------|-----------|---------------|----------------|---------------|-----------------------|------------------------|
| Grundy Bank | 7/10/2019 | 5 years       | \$ 5,222       | 4.75%         | \$ 92,471             | \$ -                   |
| Kubota      | 12/8/2023 | 3 years       | \$ 19,194      | 8.60%         | \$ 48,938             | \$ 17,673              |

**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, 2025:

|   |                    |                       |
|---|--------------------|-----------------------|
| Assessed valuation (2024) - Including TIF Districts   |                    | <u>\$ 611,721,418</u> |
| Statutory debt limitation (8.625%)                    |                    | \$ 52,760,972         |
| Debt applicable to limitation:                        |                    |                       |
| General Obligation Refunding Bonds (ARS), Series 2012 | \$ 1,040,000       |                       |
| Lines of Credit                                       | <u>5,210,220</u>   |                       |
| Total applicable debt                                 | <u>6,250,220</u>   |                       |
| Less amounts not included in the debt limitation:     |                    |                       |
| Self-supporting bonded debt                           | (1,040,000)        |                       |
| Line of Credit  | <u>(5,210,220)</u> |                       |
| Total debt applicable to the debt limitation          | <u>(6,250,220)</u> |                       |
| Legal debt margin                                     |                    | <u>\$ 52,760,972</u>  |

**NOTE 8: 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 | \$ 1,452,042                   | (1,264,787)                   | 7,926,317                     | 758,009                  |
| IMRF           | <u>1,822,897</u>               | <u>(1,622,860)</u>            | <u>(304,083)</u>              | <u>852,658</u>           |
| Totals         | <u>\$ 3,274,939</u>            | <u>(2,887,647)</u>            | <u>7,622,234</u>              | <u>1,610,667</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.

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

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**NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

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

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).

***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, 2024, the City's plan membership consisted of the following:

|                               |                   |
|-------------------------------|-------------------|
| Retirees and beneficiaries    | 62                |
| Inactive, non-retired members | 18                |
| Active members                | <u>54</u>         |
| Total                         | <u><u>134</u></u> |

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2025**

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**NOTE 8: 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 2024 and the fiscal year ended April 30, 2025, 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 - 2024         | 5.23%      |
| City contribution rate - 2025         | 5.18%      |
| City contributions - 2024             | \$ 225,646 |
| City contributions - fiscal year 2025 | \$ 224,068 |

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

The City’s net pension liability (asset) was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

The following are the methods and assumptions used to determine total pension liability at December 31, 2024:

- The Actuarial Cost Method used was Aggregate Entry Age Normal.
- The Asset Valuation Method used was 5-Year smoothed market; 20% corridor
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.75% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed using the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For Disabled Retirees, an IMRF-specific mortality rate was developed using Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

NOTE 8: **DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

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

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

- For Active Members, an IMRF-specific mortality rate was developed using Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2024.

| <u>Asset Class</u>      | <u>Portfolio<br/>Target<br/>Percentage</u> | <u>Long-Term<br/>Expected<br/>Real Rate<br/>of Return</u> |
|-------------------------|--|---|
| Domestic Equity         | 33.5%                                      | 4.35%   |
| International Equity    | 18.0%                                      | 5.40%   |
| Fixed Income            | 24.5%                                      | 5.20%   |
| Real Estate             | 10.5%                                      | 6.40%   |
| Alternative Investments | 12.5%                                      | 4.85%-6.25%   |
| Cash Equivalents        | 1.0%                                       | 3.80%   |
| Total                   | <u>100.0%</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, 2024 valuations, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

**NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

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

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

|  | Total Pension<br>Liability<br>(A) | Plan Fiduciary<br>Net Position<br>(B) | Net Pension<br>Liability (Asset)<br>(A) - (B) |
|--|-----------------------------------|---------------------------------------|---|
| Balances at December 31, 2023  | \$ 23,078,498                     | 23,108,809                            | (30,311)                                      |
| Changes for the year:  |                                   |                                       |   |
| Service Cost   | 394,227                           | -                                     | 394,227                                       |
| Interest on the Total Pension Liability  | 1,649,537                         | -                                     | 1,649,537                                     |
| Changes of Benefit Terms   | -                                 | -                                     | -   |
| Differences Between Expected and Actual<br>Experience of the Total Pension Liability | (564,291)                         | -                                     | (564,291)                                     |
| Changes of Assumptions   | -                                 | -                                     | -   |
| Contributions - Employer   | -                                 | 225,646                               | (225,646)                                     |
| Contributions - Employees  | -                                 | 194,153                               | (194,153)                                     |
| Net Investment Income  | -                                 | 2,157,459                             | (2,157,459)                                   |
| Benefit Payments, including Refunds of<br>Employee Contributions                     | (1,046,750)                       | (1,046,750)                           | -   |
| Other (Net Transfer)   | -                                 | (824,013)                             | 824,013                                       |
| Net Changes  | <u>432,723</u>                    | <u>706,495</u>                        | <u>(273,772)</u>                              |
| Balances at December 31, 2024  | <u>\$ 23,511,221</u>              | <u>23,815,304</u>                     | <u>(304,083)</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<br>(6.25%) | Current Discount<br>Rate (7.25%) | 1% Increase<br>(8.25%) |
|-------------------------------|------------------------|----------------------------------|------------------------|
| Total Pension Liability       | \$ 26,075,325          | 23,511,221                       | 21,453,476             |
| Plan Fiduciary Net Position   | 23,815,304             | 23,815,304                       | 23,815,304             |
| Net Pension Liability (Asset) | <u>\$ 2,260,021</u>    | <u>(304,083)</u>                 | <u>(2,361,828)</u>     |

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

**NOTE 8: 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, 2025, the City recognized pension expense of \$852,658. At April 30, 2025, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience                                   | \$ -                              | 415,775                          |
| Changes in assumptions  | -                                 | 4,545                            |
| Net difference between projected and actual earnings<br>on pension plan investments | <u>1,746,947</u>                  | <u>1,202,540</u>                 |
| Total deferred amounts to be recognized<br>in future pension expense                | 1,746,947                         | 1,622,860                        |
| Contributions subsequent to the measurement date                                    | <u>75,950</u>                     | <u>-</u>                         |
| Total   | <u><u>\$ 1,822,897</u></u>        | <u><u>1,622,860</u></u>          |

\$75,950 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, 2025. 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<br>Ending<br>December 31, | Net Deferred<br>Outflows of<br>Resources |
|---|--|
| 2025                                    | \$ 56,422                                |
| 2026                                    | 446,613                                  |
| 2027                                    | (272,016)                                |
| 2028                                    | (106,932)                                |
| 2029                                    | -  |
| Thereafter                              | <u>-</u>                                 |
|   | <u><u>\$ 124,087</u></u>                 |

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

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NOTE 8: **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 issues a separate report prepared by Lauterbach & Amen, LLP.

***Membership***

As of April 30, 2025, the City’s plan membership consisted of the following:

|   |                  |
|---|------------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 24               |
| Inactive Plan Members Entitled To but Not Yet Receiving Benefits    | 3                |
| Active Plan Members   | <u>30</u>        |
| Total   | <u><u>57</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.

**NOTE 8: 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, 2025, the City contribution was \$1,396,332.

***Investments***

During the year ended June 30, 2022, the Pension Fund transferred its investments, with the exception of funds held in a money market account, into the Illinois Police Officers' Pension Investment Fund (IPOPIF). IPOPIF was established by legislative act of the Illinois General Assembly, P.A. 101-610, which took effect on January 1, 2020. The authority of IPOPIF to manage pension fund assets of Article 4 Pension Funds begins when there has been a physical transfer of the pension fund assets to the Fund and the assets have been placed in the custody of the Funds custodian or custodians. After the transition of investment assets from Article 4 Pension Funds to the Fund has been completed, the Fund has the authority to manage the pension fund assets of the transferor pension funds for the purpose of obtaining a total return on investments for the long term. The Fund is defined as an investment trust fund and an external investment pool. IPOPIF issues a publicly available Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.ipopif.org](http://www.ipopif.org).

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

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**NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Police Pension Plan – (Continued)**

***Net Pension Liability***

The City's net pension liability was measured as of April 30, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of May 1, 2024.

The components of the net pension liability of the Plan at April 30, 2025, were as follows:

|                             |                     |
|-----------------------------|---------------------|
| Total Pension Liability     | \$ 33,055,021       |
| Plan Fiduciary Net Position | <u>25,128,704</u>   |
| Net Pension Liability       | <u>\$ 7,926,317</u> |

***Actuarial Assumptions***

The total pension liability was determined by an actuarial valuation as of May 1, 2024, using the following actuarial assumptions:

- The Actuarial Cost Method used was Entry Age Normal.
- The Amortization Method used was Level % Pay (Closed).
- The Asset Valuation Method used was 5-Year Smoothed Fair Value.
- High Quality 20 Year Tax-Exempt G.O. Bond Rate increased from 4.07% to 5.24%
- 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 2024 Illinois police retirement rates capped at age 65.
- Disability and termination rates were based on Lauterbach & Amen 2024 Illinois police rates.
- Marital status assumption – 80% married.
- Active mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvements uses MP-2021 Improvement Rates applied on a fully generational basis. 25% of active member deaths are assumed to be in the Line of Duty.
- Retiree mortality follows the L&A Assumption Study for Police 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved fully generationally using MP-2021 Improvement Rates.
- Disabled mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2021 Improvement Rates applied on a fully generational basis.
- 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-2021 Improvement Rates applied on a fully generational basis.

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2025**

**NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Police Pension Plan – (Continued)**

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

- 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 April 12, 2024, 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 2024 Edition, dated August 2024. The rates provided in the table below are based on a geometric average.

| Asset Class                   | Long-Term<br>Expected Rate of<br>Return | Long-Term Inflation<br>Expectation | Long-Term<br>Expected Real Rate<br>of Return | Target Allocation |
|-------------------------------|---|------------------------------------|--|-------------------|
| US Large                      | 5.70%                                   | 2.50%                              | 3.20%  | 23.00%            |
| US Small                      | 6.60%                                   | 2.50%                              | 4.10%  | 5.00%             |
| International Developed       | 6.70%                                   | 2.50%                              | 4.20%  | 19.00%            |
| International Developed Small | 7.60%                                   | 2.50%                              | 5.10%  | 5.00%             |
| Emerging Markets              | 7.00%                                   | 2.50%                              | 4.50%  | 6.00%             |
| Private Equity                | 8.00%                                   | 2.50%                              | 5.50%  | 7.00%             |
| High Yield Corp. Credit       | 6.80%                                   | 2.50%                              | 4.30%  | 3.00%             |
| Emerging Markets Debt         | 7.05%                                   | 2.50%                              | 4.55%  | 3.00%             |
| Bank Loans                    | 7.30%                                   | 2.50%                              | 4.80%  | 3.00%             |
| Private Credit                | 8.20%                                   | 2.50%                              | 5.70%  | 5.00%             |
| Real Estate                   | 6.90%                                   | 2.50%                              | 4.40%  | 5.00%             |
| Infrastructure                | 8.10%                                   | 2.50%                              | 5.60%  | 3.00%             |
| Cash                          | 3.90%                                   | 2.50%                              | 1.40%  | 1.00%             |
| Short-Term Gov't/Credit       | 4.30%                                   | 2.50%                              | 1.80%  | 3.00%             |
| US Treasury                   | 4.10%                                   | 2.50%                              | 1.60%  | 3.00%             |
| US TIPS                       | 4.10%                                   | 2.50%                              | 1.60%  | 3.00%             |
| Core Fixed Income             | 4.90%                                   | 2.50%                              | 2.40%  | 3.00%             |

For the year ended April 30, 2025, 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 4.07% to 5.24% 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.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

**NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)**

**Police Pension Plan – (Continued)**

***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:

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<br>Liability<br>(A) | Plan Fiduciary<br>Net Position<br>(B) | Net Pension<br>Liability<br>(A) - (B) |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at April 30, 2024  | \$ 31,905,250                     | 22,969,593                            | 8,935,657                             |
| Changes for the year:   |                                   |                                       |                                       |
| Service Cost  | 618,098                           | -                                     | 618,098                               |
| Interest on the Total Pension Liability   | 2,154,497                         | -                                     | 2,154,497                             |
| Differences Between Expected and Actual Experience of the Total Pension Liability | (364,565)                         | -                                     | (364,565)                             |
| Changes of Assumptions  | 275,397                           | -                                     | 275,397                               |
| Change of Benefit Terms   | -                                 | -                                     | -                                     |
| Contributions - Employer  | -                                 | 1,396,332                             | (1,396,332)                           |
| Contributions - Employees   | -                                 | 275,563                               | (275,563)                             |
| Contributions - Other   | -                                 | 57,481                                | (57,481)                              |
| Net Investment Income   | -                                 | 2,057,193                             | (2,057,193)                           |
| Benefit Payments, including Refunds of Employee Contributions                     | (1,533,656)                       | (1,533,656)                           | -                                     |
| Other   | -                                 | (93,802)                              | 93,802                                |
| Net Changes   | <u>1,149,771</u>                  | <u>2,159,111</u>                      | <u>(1,009,340)</u>                    |
| Balances at April 30, 2025  | <u>\$ 33,055,021</u>              | <u>25,128,704</u>                     | <u>7,926,317</u>                      |

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

**NOTE 8: 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<br/>(6.00%)</u> | <u>Current Discount<br/>Rate (7.00%)</u> | <u>1% Increase<br/>(8.00%)</u> |
|-------------------------------|--------------------------------|--|--------------------------------|
| Net Pension Liability/(Asset) | \$ 12,463,653                  | 7,926,317                                | 4,210,823                      |

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

For the year ended April 30, 2025, the City recognized pension expense of \$758,009. At April 30, 2025, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Difference between expected and actual experience                                   | \$ 593,840                                    | 712,944                                  |
| Changes in assumptions  | 237,978                                       | 22,048                                   |
| Net difference between projected and actual earnings<br>on pension plan investments | <u>620,224</u>                                | <u>529,795</u>                           |
| Total   | <u>\$ 1,452,042</u>                           | <u>1,264,787</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<br/>April 30,</u> | <u>Net Deferred<br/>Outflows of<br/>Resources</u> |
|----------------------------------|---|
| 2026                             | \$ 312,258  |
| 2027                             | 1,195   |
| 2028                             | (111,899)   |
| 2029                             | (6,297)   |
| 2030                             | 8,476   |
| Thereafter                       | <u>(16,478)</u>                                   |
|                                  | <u>\$ 187,255</u>                                 |

**NOTE 9: 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.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

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**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)**

***Membership***

As of April 30, 2025, 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>8</u>         |
| Total   | <u><u>82</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 2025, \$17,736 are explicit benefit payments due to the PSEBA pensioners and \$36,098 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, 2025, the City had a net OPEB liability for the plan, determined as follows:

|                             |                            |
|-----------------------------|----------------------------|
| Total OPEB Liability        | \$ 1,440,764               |
| Plan Fiduciary Net Position | <u>-</u>                   |
| Net OPEB Liability          | <u><u>\$ 1,440,764</u></u> |

The net OPEB liability was measured as of April 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of May 1, 2025.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

NOTE 9: **OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)**

**Changes in the Net OPEB Liability**

|                                     | Total OPEB<br>Liability<br>(A) | Plan Fiduciary<br>Net Position<br>(B) | Net OPEB<br>Liability<br>(A) - (B) |
|-------------------------------------|--------------------------------|---------------------------------------|------------------------------------|
| Balances at May 1, 2024             | \$ 1,117,372                   | -                                     | 1,117,372                          |
| Changes for the year:               |                                |                                       |                                    |
| Service Cost                        | 65,504                         | -                                     | 65,504                             |
| Interest                            | 44,382                         | -                                     | 44,382                             |
| Differences in Actuarial Experience | 340,620                        | -                                     | 340,620                            |
| Changes of Assumptions              | (73,280)                       | -                                     | (73,280)                           |
| Contributions - Employer            | -                              | 53,834                                | (53,834)                           |
| Contributions - Employees           | -                              | -                                     | -                                  |
| Net Investment Income               | -                              | -                                     | -                                  |
| Benefit Payments                    | (53,834)                       | (53,834)                              | -                                  |
| Administrative expense              | -                              | -                                     | -                                  |
| Net Changes                         | <u>323,392</u>                 | <u>-</u>                              | <u>323,392</u>                     |
| Balances at April 30, 2025          | <u>\$ 1,440,764</u>            | <u>-</u>                              | <u>1,440,764</u>                   |

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total OPEB liability at April 30, 2025:

- The Actuarial Cost Method used was Entry Age Normal (Level %)
- Discount rate used for the Total OPEB Liability:
  - Beginning of year – 4.07%
  - End of year – 5.24%
- High Quality 20 Year Tax-Exempt GO Bond Rate:
  - Beginning of year – 4.07%
  - End of year – 5.24%
- Payroll increases – 2.75%
- Healthcare Cost Trend Rates – The initial trend rate is based on the 2025 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 2020 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, 2025

**NOTE 9: 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 MP-2020 Study, with Blue Collar Adjustments. These rates are improved generationally using MP-2020 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, 2025, was 5.24%.

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<br>(4.24%) | Current<br>Discount Rate<br>(5.24%) | 1% Increase<br>(6.24%) |
|----------------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB Liability/(Asset) | \$ 1,585,893           | 1,440,764                           | 1,317,563              |

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.

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2025**

**NOTE 9: 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<br>(Varies) | Current Trend<br>Rate (Varies) | 1% Increase<br>(Varies) |
|----------------------------|-------------------------|--------------------------------|-------------------------|
| Net OPEB Liability/(Asset) | <u>\$ 1,300,294</u>     | <u>1,440,764</u>               | <u>1,610,444</u>        |

Current healthcare cost trend rates are as follows:

- Medical trend rates for retirees under 65 decrease from 7.58% to 5.00%.
- Dental trend rates remain flat at 4.50%
- Vision trend rates remain flat at 1.00%
- 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, 2025, the City recognized OPEB expense of \$377,226.

At April 30, 2025, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

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

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

**NOTE 9: 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<br>Ending<br>April 30, | Deferred<br>Outflows | Deferred<br>Inflows |
|------------------------------------|----------------------|---------------------|
| 2026                               | \$ -                 | -                   |
| 2027                               | -                    | -                   |
| 2028                               | -                    | -                   |
| 2029                               | -                    | -                   |
| 2030                               | -                    | -                   |
| Thereafter                         | -                    | -                   |
|                                    | <u>\$ -</u>          | <u>-</u>            |

**NOTE 10: INTER-FUND BALANCES AND TRANSFERS**

Interfund Balances

The following is a schedule of interfund receivables and payables as of April 30, 2025:

|                                 | Due To Other Funds  | Due From Other Funds |
|---------------------------------|---------------------|----------------------|
| General Fund                    | \$ -                | 122,596              |
| Airport Fund:                   |                     |                      |
| Operations Fund                 | 122,596             | 1,000,000            |
| Development Fund                | 1,000,000           | -                    |
| Water and Sewer:                |                     |                      |
| Operations and Maintenance Fund | -                   | 4,100,000            |
| Capital Improvement Funds       | 4,100,000           | -                    |
| Total                           | <u>\$ 5,222,596</u> | <u>5,222,596</u>     |

The interfund balances above represent an advance from the General Fund to the Airport Operations Fund for capital improvement costs, and an advance from the Airport Operations Fund to the Airport Development Fund for capital project financing until grant revenues can be obtained. 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.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended April 30, 2025

**NOTE 10: INTER-FUND BALANCES AND TRANSFERS – (CONTINUED)**

Operating Transfers

Below is a summary of operating transfers between funds for the year ended April 30, 2025:

|  | <u>Transfers In</u> | <u>Transfers Out</u> |
|--|---------------------|----------------------|
| Garbage Fund                             | -                   | 155,246              |
| Water and Sewer Fund                     | 155,246             | 2,049,760            |
| Water and Sewer Capital Fund             | 10,000              | -                    |
| Alternate Revenue Bond and Interest Fund | 539,760             | -                    |
| TIF Fund I                               | -                   | 2,900,000            |
| Marina TIF Fund                          | 4,400,000           | -                    |
| Total                                    | <u>\$ 5,105,006</u> | <u>5,105,006</u>     |

The interfund transfers into the Water and Sewer Fund and Water and Sewer Capital Fund from the Garbage Fund were to close out the Garbage Fund. The transfers from the to the Alternative Revenue Bond and Interest Fund was for bond interest. Transfers from Water & Sewer and TIF Fund I to the Marina TIF Fund was for capital project expenditures.

**NOTE 11: 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 December of 2024. 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 \$5,564,725 and \$6,210,811 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 \$2,029,356 and \$2,132,132 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.

## CITY OF MORRIS, ILLINOIS

### Notes to Basic Financial Statements For the Year Ended April 30, 2025

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#### **NOTE 11: 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 12: 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.

## CITY OF MORRIS, ILLINOIS

### Notes to Basic Financial Statements For the Year Ended April 30, 2025

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#### **NOTE 13: 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 14: 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 15: 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 \$2,054 for the 2023 levy year and \$2,226 for the 2024 levy year.
- 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, 2025, totaled \$1,324,160, and reimbursements of \$1,096,323 were made during the fiscal year.

**CITY OF MORRIS, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended April 30, 2025**

**NOTE 16: RESTRICTED NET POSITION**

Restricted net position balances reported on the government-wide statement of net position at April 30, 2025, includes the following:

|                             | Governmental<br>Activities | Business-type<br>Activities | Total            |
|-----------------------------|----------------------------|-----------------------------|------------------|
| Restricted for:             |                            |                             |                  |
| Transportation/public works | \$ 4,532,524               | -                           | 4,532,524        |
| Community development       | 3,342,590                  | -                           | 3,342,590        |
| Culture & recreation        | 365,596                    | -                           | 365,596          |
| Employee retirement costs   | 417,143                    | -                           | 417,143          |
| Law enforcement             | 134,606                    | -                           | 134,606          |
| Debt Service                | -                          | 57,865                      | 57,865           |
| <b>Total restricted</b>     | <b>\$ 8,792,459</b>        | <b>57,865</b>               | <b>8,850,324</b> |

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

**NOTE 17: FUND BALANCES**

Governmental fund balances reported on the fund financial statements at April 30, 2025, includes the following:

|                             | General Fund        | Tax Increment<br>Financing Fund<br>I | Marina Tax<br>Increment<br>Financing Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------------------|---------------------|--------------------------------------|---|--------------------------------|--------------------------------|
| Restricted for:             |                     |                                      |   |                                |                                |
| Transportation/public works | \$ -                | -                                    | 2,499,387                                 | 2,033,137                      | 4,532,524                      |
| Community development       | -                   | 3,335,390                            | -   | -                              | 3,335,390                      |
| Health & sanitation         | -                   | -                                    | -   | -                              | -                              |
| American Rescue Plan Act    | -                   | -                                    | -   | -                              | -                              |
| Culture & recreation        | -                   | 150,000                              | -   | 215,596                        | 365,596                        |
| Employee retirement costs   | -                   | -                                    | -   | 417,143                        | 417,143                        |
| Law enforcement             | -                   | -                                    | -   | 134,606                        | 134,606                        |
| <b>Total restricted</b>     | <b>-</b>            | <b>3,485,390</b>                     | <b>2,499,387</b>                          | <b>2,800,482</b>               | <b>8,785,259</b>               |
| Unassigned                  | 9,638,804           | -                                    | -   | (437,542)                      | 9,201,262                      |
| <b>Total fund balances</b>  | <b>\$ 9,638,804</b> | <b>3,485,390</b>                     | <b>2,499,387</b>                          | <b>2,362,940</b>               | <b>17,986,521</b>              |

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, 2025**

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**NOTE 18: NOTE RECEIVABLE**

On November 7, 2022, the City entered into a TIF District Redevelopment Agreement with TRA Heap Holdings, LLC (TRA) to rehabilitate and renovate KJ McKeon's tavern for the purpose of encouraging economic development within the City. The City granted a loan in the amount of \$36,000 to TRA that will be forgiven over a period of five years commencing one year from the date of the loan provided that TRA meets certain criteria as stated in the agreement. As of April 30, 2025, the amount of the note receivable is \$21,600.

**NOTE 19: PRIOR PERIOD ADJUSTMENT**

Effective for the fiscal year ending April 30, 2025, the government implemented the provisions of GASB Statement No. 101, Compensated Absences. This standard establishes a unified recognition and measurement model for all types of compensated absences and replaces the previous guidance under GASB Statement No. 16. Under GASB 101, liabilities for compensated absences are recognized when the leave is attributable to services already rendered and is probable of resulting in a future payment.

As a result of the implementation of GASB 101, the government reviewed its existing policies and recalculated its compensated absences liability in accordance with the new standard. This resulted in a restatement of the beginning net position of the governmental activities and certain proprietary funds as of May 1, 2024.

The effect of this prior period adjustment is a decrease in Net Position of \$418,407 in the Governmental Activities and \$96,825 in the Business Type Activities. Prior to the implementation of GASB 101, the City recorded compensated absences for vacation time as a liability in the fund financial statements. A prior period adjustment of \$447,466 was made to increase Fund Balance to remove compensated absences that had been recorded in the General and TIF 1 Funds.

**NOTE 20: SUBSEQUENT EVENTS**

Management evaluated subsequent events through November 3, 2025, 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, 2025, as a result of events occurring between May 1, 2025, and November 3, 2025.

***REQUIRED SUPPLEMENTARY INFORMATION***

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|                                     | 2025             |            |            | 2024                          |            |
|-------------------------------------|------------------|------------|------------|-------------------------------|------------|
|                                     | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget | Actual     |
|                                     | Original         | Final      |            |                               |            |
| Revenues:                           |                  |            |            |                               |            |
| Taxes:                              |                  |            |            |                               |            |
| Property tax                        |                  |            |            |                               |            |
| General corporate                   | \$ 973,177       | 973,177    | 1,016,816  | 43,639                        | 632,695    |
| TIF reimbursement                   | 130,000          | 130,000    | 149,869    | 19,869                        | 125,018    |
| Police protection                   | 69,595           | 69,595     | 72,758     | 3,163                         | 74,721     |
| Police pension                      | -                | -          | 1,358,005  | 1,358,005                     | 1,329,878  |
| Township road & bridge              | 64,000           | 64,000     | 62,494     | (1,506)                       | 62,473     |
| Municipal sales tax:                |                  |            |            |                               |            |
| Municipal sales tax                 | 6,100,000        | 6,100,000  | 8,585,230  | 2,485,230                     | 6,914,133  |
| Reimbursable sales tax              | 2,000,000        | 2,000,000  | 1,324,160  | (675,840)                     | 1,654,880  |
| Local use tax                       | 1,000,000        | 1,000,000  | 463,319    | (536,681)                     | 562,650    |
| Total taxes                         | 10,336,772       | 10,336,772 | 13,032,651 | 2,695,879                     | 11,356,448 |
| Intergovernmental:                  |                  |            |            |                               |            |
| State income tax                    | 2,528,000        | 2,528,000  | 2,525,775  | (2,225)                       | 2,357,013  |
| Replacement tax                     | 250,000          | 250,000    | 178,644    | (71,356)                      | 267,025    |
| Video gaming tax                    | 400,000          | 400,000    | 485,574    | 85,574                        | 445,497    |
| Federal and state grants            | 3,147,136        | 3,147,136  | 676,301    | (2,470,835)                   | 122,006    |
| Total intergovernmental             | 6,325,136        | 6,325,136  | 3,866,294  | (2,458,842)                   | 3,191,541  |
| Licenses and permits:               |                  |            |            |                               |            |
| Contractor licenses                 | 34,400           | 34,400     | 46,700     | 12,300                        | 36,900     |
| Liquor licenses                     | 54,305           | 54,305     | 56,275     | 1,970                         | 55,524     |
| Other licenses                      | 42,854           | 42,854     | 48,949     | 6,095                         | 47,469     |
| Building permits                    | 40,000           | 40,000     | 80,230     | 40,230                        | 186,988    |
| Demolition permits                  | 300              | 300        | 600        | 300                           | 400        |
| Total licenses and permits          | 171,859          | 171,859    | 232,754    | 60,895                        | 327,281    |
| Franchise fees:                     |                  |            |            |                               |            |
| Cable TV franchise fees             | 226,000          | 226,000    | 180,838    | (45,162)                      | 208,329    |
| Telephone franchise fees            | 9,785            | 9,785      | 9,783      | (2)                           | 10,598     |
| Total franchise fees                | 235,785          | 235,785    | 190,621    | (45,164)                      | 218,927    |
| Charges for services:               |                  |            |            |                               |            |
| Swimming pool                       | 114,700          | 114,700    | 98,073     | (16,627)                      | 112,853    |
| Senior van rider fees               | 900              | 900        | 966        | 66                            | 977        |
| Building inspections                | 42,000           | 42,000     | 54,550     | 12,550                        | 68,250     |
| Plumbing inspections                | 15,000           | 15,000     | 15,750     | 750                           | 19,350     |
| Electrical inspections              | 100              | 100        | 250        | 150                           | 150        |
| Fire Inspection                     | -                | -          | 26,206     | 26,206                        | 6,175      |
| Public hearing                      | 3,000            | 3,000      | 5,100      | 2,100                         | 4,500      |
| Total charges for services          | 175,700          | 175,700    | 200,895    | 25,195                        | 212,255    |
| Fines                               | 127,500          | 127,500    | 274,412    | 146,912                       | 180,753    |
| Interest                            | 250,000          | 250,000    | 217,517    | (32,483)                      | 297,867    |
| Other revenues:                     |                  |            |            |                               |            |
| Miscellaneous revenue               | 147,300          | 147,300    | 181,137    | 33,837                        | 114,604    |
| Developer reimbursements            | 2,920,000        | 2,920,000  | 291,398    | (2,628,602)                   | 165,138    |
| Other reimbursements                | 371,867          | 371,867    | 407,331    | 35,464                        | 571,121    |
| Sale of vehicles/equipment/property | 200              | 200        | -          | (200)                         | 24,615     |
| Total other revenues                | 3,439,367        | 3,439,367  | 879,866    | (2,559,501)                   | 875,478    |
| Total revenues                      | 21,062,119       | 21,062,119 | 18,895,010 | (2,167,109)                   | 16,660,550 |

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, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|  | 2025             |            |              | Variance with<br>Final Budget | 2024        |
|--|------------------|------------|--------------|-------------------------------|-------------|
|  | Budgeted Amounts |            | Actual       |                               | Actual      |
|  | Original         | Final      |              |                               |             |
| Total revenues (carried forward)               | \$ 21,062,119    | 21,062,119 | 18,895,010   | (2,167,109)                   | 16,660,550  |
| Expenditures:                                  |                  |            |              |                               |             |
| Current:                                       |                  |            |              |                               |             |
| General government                             | 4,647,774        | 4,647,774  | 3,577,733    | (1,070,041)                   | 4,293,350   |
| Public safety                                  | 6,250,857        | 6,229,903  | 5,856,942    | (372,961)                     | 5,627,839   |
| Transportation & public works                  | 3,180,540        | 3,340,449  | 2,643,715    | (696,734)                     | 2,681,986   |
| Culture and recreation                         | 998,384          | 998,384    | 717,271      | (281,113)                     | 677,391     |
| Employee retirement costs                      | 125,000          | 125,000    | 1,396,332    | 1,271,332                     | 1,334,914   |
| Capital outlay                                 | 6,175,110        | 6,036,155  | 3,887,098    | (2,149,057)                   | 1,666,132   |
| Total expenditures                             | 21,377,665       | 21,377,665 | 18,079,091   | (3,298,574)                   | 16,281,612  |
| Excess of revenue over<br>(under) expenditures | (315,546)        | (315,546)  | 815,919      | 1,131,465                     | 378,938     |
| Other financing sources (uses):                |                  |            |              |                               |             |
| Transfers out                                  | (547,789)        | (547,789)  | -            | (547,789)                     | (1,447,789) |
| Total other financing<br>sources (uses)        | (547,789)        | (547,789)  | -            | (547,789)                     | (1,447,789) |
| Changes in fund balance                        | \$ (863,335)     | (863,335)  | 815,919      | 1,679,254                     | (1,068,851) |
| Fund balance, beginning of year                |                  |            | 8,822,885    |                               | 9,450,813   |
| Prior Period Adjustment                        |                  |            | -            |                               | 440,923     |
| Fund balance, beginning of year, restated      |                  |            | 8,822,885    |                               | 9,891,736   |
| Fund balance, end of year                      |                  |            | \$ 9,638,804 |                               | 8,822,885   |

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|                               | 2025             |           |           | 2024                          |           |
|-------------------------------|------------------|-----------|-----------|-------------------------------|-----------|
|                               | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget | Actual    |
|                               | Original         | Final     |           |                               |           |
| Revenues:                     |                  |           |           |                               |           |
| Property tax                  | \$ 6,350,000     | 6,350,000 | 6,637,293 | 287,293                       | 5,966,453 |
| State Grant                   | 250,000          | 250,000   | -         | (250,000)                     | -         |
| Interest income               | 300,000          | 300,000   | 400,124   | 100,124                       | 429,602   |
| Miscellaneous income          | 100              | 100       | 63,301    | 63,201                        | 69,023    |
| Total revenues                | 6,900,100        | 6,900,100 | 7,100,718 | 200,618                       | 6,465,078 |
| Expenditures:                 |                  |           |           |                               |           |
| General government:           |                  |           |           |                               |           |
| Business Development Director | 51,376           | 51,376    | 51,517    | 141                           | 51,461    |
| Community Affairs             | 44,995           | 45,163    | 45,163    | -                             | 43,560    |
| Health Insurance              | 63,845           | 63,845    | 44,284    | (19,561)                      | 39,662    |
| Dental & Vision               | 2,345            | 2,345     | 1,866     | (479)                         | 1,716     |
| Life Insurance                | 485              | 485       | 448       | (37)                          | 274       |
| Engineering services          | 100,000          | 100,000   | 27,182    | (72,818)                      | 52,618    |
| Legal services                | 25,000           | 25,000    | 20,961    | (4,039)                       | 22,983    |
| Other professional services   | 270,000          | 270,000   | 120,657   | (149,343)                     | 166,536   |
| Miscellaneous expenses        | 5,000            | 5,000     | 116       | (4,884)                       | -         |
| Total general government      | 563,046          | 563,214   | 312,194   | (251,020)                     | 378,810   |
| Community development:        |                  |           |           |                               |           |
| Loan/grant distributions      | 250,000          | 250,000   | 7,200     | (242,800)                     | 7,200     |
| TIF reimbursement             | 3,750,000        | 3,982,376 | 3,982,376 | -                             | 3,579,872 |
| Total community development   | 4,000,000        | 4,232,376 | 3,989,576 | (242,800)                     | 3,587,072 |
| Capital outlay:               |                  |           |           |                               |           |
| Building improvements         | 225,000          | 225,000   | -         | (225,000)                     | -         |
| Parks improvements            | 25,000           | 37,681    | 37,681    | -                             | 33,381    |
| Building construction         | 550,000          | 550,000   | 519,232   | (30,768)                      | 201,428   |
| Demolition of buildings       | 1                | 1         | -         | (1)                           | -         |
| Bulk fuel storage facility    | 7,000            | 7,000     | 1,066     | (5,934)                       | 731       |
| Equipment                     | 440,000          | 440,000   | 300,723   | (139,277)                     | 439,278   |
| Water system improvement      | -                | 106,911   | 106,911   | -                             | -         |
| Water tower improvements      | 10               | 10        | -         | (10)                          | -         |
| Street construction           | 100,000          | 312,849   | 312,849   | -                             | 66,143    |
| Street lighting improvement   | 600,000          | 600,000   | 61,981    | (538,019)                     | -         |
| Traffic signals               | 10,000           | 10,000    | 2,491     | (7,509)                       | -         |
| Off street parking            | 10               | 10        | -         | (10)                          | -         |
| Downtown development          | 1,250,000        | 685,015   | 130,680   | (554,335)                     | 132,620   |
| Total capital outlay          | 3,207,021        | 2,974,477 | 1,473,614 | (1,500,863)                   | 873,581   |
| Total expenditures            | 7,770,067        | 7,770,067 | 5,775,384 | (1,994,683)                   | 4,839,463 |

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, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|  | 2025                  |                    |                     | 2024                          |                  |
|--|-----------------------|--------------------|---------------------|-------------------------------|------------------|
|  | Budgeted Amounts      |                    | Actual              | Variance with<br>Final Budget | Actual           |
|  | Original              | Final              |                     |                               |                  |
| Excess of revenue over<br>(under) expenditures | (869,967)             | (869,967)          | 1,325,334           | 2,195,301                     | 1,625,615        |
| Other financing sources (uses):                |                       |                    |                     |                               |                  |
| Transfer to Marina TIF Fund                    | (2,900,000)           | (2,900,000)        | (2,900,000)         | -                             | (1,300,000)      |
| Total other financing sources (uses)           | (2,900,000)           | (2,900,000)        | (2,900,000)         | -                             | (1,300,000)      |
| Changes in fund balances                       | <u>\$ (3,769,967)</u> | <u>(3,769,967)</u> | <u>(1,574,666)</u>  | <u>2,195,301</u>              | <u>325,615</u>   |
| Fund balance, beginning of year                |                       |                    | 5,060,056           |                               | 4,727,898        |
| Prior Period Adjustment                        |                       |                    | -                   |                               | 6,543            |
| Fund balance, beginning of year, restated      |                       |                    | <u>5,060,056</u>    |                               | <u>4,734,441</u> |
| Fund balance, end of year                      |                       |                    | <u>\$ 3,485,390</u> |                               | <u>5,060,056</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, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)**

|  | 2025             |             |             | 2024                          |           |
|--|------------------|-------------|-------------|-------------------------------|-----------|
|  | Budgeted Amounts |             | Actual      | Variance with<br>Final Budget | Actual    |
|  | Original         | Final       |             |                               |           |
| Revenues:                                      |                  |             |             |                               |           |
| Property tax                                   | \$ 40,000        | 40,000      | 44,612      | 4,612                         | 36,234    |
| Interest income                                | 25,000           | 25,000      | 45,701      | 20,701                        | 44,951    |
| Miscellaneous income                           | -                | -           | 79          | 79                            | -         |
| Total revenues                                 | 65,000           | 65,000      | 90,392      | 25,392                        | 81,185    |
| Expenditures:                                  |                  |             |             |                               |           |
| General government:                            |                  |             |             |                               |           |
| Engineering services                           | 100,000          | 100,000     | 48,686      | (51,314)                      | 37,216    |
| Other professional services                    | 5,000            | 128,812     | 128,812     | -                             | 26,913    |
| Miscellaneous expenses                         | 1,000            | 1,000       | -           | (1,000)                       | (31,999)  |
| Total general government                       | 106,000          | 229,812     | 177,498     | (52,314)                      | 32,130    |
| Environment:                                   |                  |             |             |                               |           |
| Legal services                                 | 10,000           | 15,743      | 15,743      | -                             | 28,695    |
| CLC closure expenses                           | 500,000          | 500,000     | 271,750     | (228,250)                     | 94,579    |
| Total environment                              | 510,000          | 515,743     | 287,493     | (228,250)                     | 123,274   |
| Community development:                         |                  |             |             |                               |           |
| TIF reimbursement                              | 12,000           | 13,384      | 13,384      | -                             | 10,870    |
| Total community development                    | 12,000           | 13,384      | 13,384      | -                             | 10,870    |
| Capital outlay:                                |                  |             |             |                               |           |
| Land purchases                                 | 500,000          | 500,000     | -           | (500,000)                     | -         |
| Building construction                          | 7,000,000        | 6,652,243   | 4,946,449   | (1,705,794)                   | 454,742   |
| Demolition of buildings                        | 100              | 100         | -           | (100)                         | -         |
| Sewerage treatment plant                       | 10               | 10          | -           | (10)                          | -         |
| Equipment                                      | 5,000            | 108,828     | 108,828     | -                             | -         |
| Water system                                   | 10               | 10          | -           | (10)                          | -         |
| Water tower                                    | 10               | 10          | -           | (10)                          | -         |
| Sanitary sewer systems                         | 10               | 113,000     | 113,000     | -                             | -         |
| Street construction                            | 10               | 10          | -           | (10)                          | -         |
| Storm sewer construction                       | 10               | 10          | -           | (10)                          | -         |
| Street lighting improvement                    | 10               | 10          | -           | (10)                          | -         |
| Total capital outlay                           | 7,505,170        | 7,374,231   | 5,168,277   | (2,205,954)                   | 454,742   |
| Total expenditures                             | 8,133,170        | 8,133,170   | 5,646,652   | (2,486,518)                   | 621,016   |
| Excess of revenue over<br>(under) expenditures | (8,068,170)      | (8,068,170) | (5,556,260) | 2,511,910                     | (539,831) |
| Other financing sources (uses):                |                  |             |             |                               |           |
| Transfer from water and sewer                  | 1,500,000        | 1,500,000   | 1,500,000   | -                             | 1,000,000 |
| Transfers from TIF I Fund                      | 2,900,000        | 2,900,000   | 2,900,000   | -                             | 1,300,000 |
| Total other financing sources (uses)           | 4,400,000        | 4,400,000   | 4,400,000   | -                             | 2,300,000 |
| Changes in fund balances                       | \$ (5,168,170)   | (5,168,170) | (1,156,260) | 4,011,910                     | 1,760,169 |
| Fund balances, beginning of year               |                  |             | 3,655,647   |                               | 1,895,478 |
| Fund balances, end of year                     |                  |             | 2,499,387   |                               | 3,655,647 |

**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,                                       | 2024          | 2023       | 2022        | 2021        | 2020       |
|--|---------------|------------|-------------|-------------|------------|
| <b>TOTAL PENSION LIABILITY</b>   |               |            |             |             |            |
| Service cost   | \$ 394,227    | 383,505    | 345,568     | 336,865     | 331,547    |
| Interest on the total pension liability                                | 1,649,537     | 1,576,950  | 1,519,372   | 1,426,104   | 1,348,997  |
| Benefit changes  |               | -          | -           | -           | -          |
| Differences between expected and actual experience                     | (564,291)     | (11,429)   | (255,233)   | 304,327     | 139,616    |
| Assumption changes   | -             | (11,019)   | -           | -           | (80,971)   |
| Benefit payments and refunds   | (1,046,750)   | (837,595)  | (831,373)   | (739,010)   | (617,605)  |
| Net Change in Total Pension Liability                                  | 432,723       | 1,100,412  | 778,334     | 1,328,286   | 1,121,584  |
| Total Pension Liability - Beginning                                    | 23,078,498    | 21,978,086 | 21,199,752  | 19,871,466  | 18,749,882 |
| Total Pension Liability - Ending (a)                                   | \$ 23,511,221 | 23,078,498 | 21,978,086  | 21,199,752  | 19,871,466 |
| <b>PLAN FIDUCIARY NET POSITION</b>                                     |               |            |             |             |            |
| Employer contributions   | \$ 225,646    | 287,636    | 326,620     | 386,260     | 354,118    |
| Employee contributions   | 194,153       | 185,970    | 177,170     | 156,014     | 148,652    |
| Pension Plan Net Investment Income                                     | 2,157,459     | 2,197,997  | (2,662,766) | 3,284,382   | 2,453,983  |
| Benefit Payments and Refunds   | (1,046,750)   | (837,595)  | (831,373)   | (739,010)   | (617,605)  |
| Other  | (824,013)     | 605,498    | (31,737)    | 114,358     | 83,598     |
| Net Change in Plan Fiduciary Net Position                              | 706,495       | 2,439,506  | (3,022,086) | 3,202,004   | 2,422,746  |
| Plan Fiduciary Net Position - Beginning                                | 23,108,809    | 20,669,303 | 23,691,389  | 20,489,385  | 18,066,639 |
| Plan Fiduciary Net Position - Ending (b)                               | \$ 23,815,304 | 23,108,809 | 20,669,303  | 23,691,389  | 20,489,385 |
| <b>EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)</b>                  | \$ (304,083)  | (30,311)   | 1,308,783   | (2,491,637) | (617,919)  |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 101.29%       | 100.13%    | 94.05%      | 111.75%     | 103.11%    |
| Covered Valuation Payroll  | \$ 4,314,448  | 4,132,688  | 3,820,120   | 3,466,952   | 3,303,341  |
| Net Pension Liability as a Percentage of Covered Valuation Payroll     | -7.05%        | -0.73%     | 34.26%      | -71.87%     | -18.71%    |

**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,                                       | 2019          | 2018         | 2017       | 2016       | 2015       |
|--|---------------|--------------|------------|------------|------------|
| <b>TOTAL PENSION LIABILITY</b>   |               |              |            |            |            |
| Service cost   | \$ 338,662    | 313,358      | 323,518    | 326,423    | 332,089    |
| Interest on the total pension liability                                | 1,295,073     | 1,261,016    | 1,215,723  | 1,193,706  | 1,154,965  |
| Benefit changes  | -             | -            | -          | -          | -          |
| Differences between expected and actual experience                     | (269,929)     | (452,470)    | 89,552     | (535,715)  | (289,758)  |
| Assumption changes   | -             | 477,752      | (498,711)  | (39,276)   | 20,234     |
| Benefit payments and refunds   | (615,350)     | (510,196)    | (531,981)  | (853,392)  | (498,912)  |
| Net Change in Total Pension Liability                                  | 748,456       | 1,089,460    | 598,101    | 91,746     | 718,618    |
| Total Pension Liability - Beginning                                    | 18,001,426    | 16,911,966   | 16,313,865 | 16,222,119 | 15,503,501 |
| Total Pension Liability - Ending (a)                                   | \$ 18,749,882 | 18,001,426   | 16,911,966 | 16,313,865 | 16,222,119 |
| <b>PLAN FIDUCIARY NET POSITION</b>                                     |               |              |            |            |            |
| Employer contributions   | \$ 276,400    | 342,092      | 367,818    | 361,233    | 343,572    |
| Employee contributions   | 143,461       | 142,275      | 155,955    | 128,200    | 129,538    |
| Pension Plan Net Investment Income                                     | 2,686,531     | (713,029)    | 2,445,736  | 948,357    | 70,089     |
| Benefit Payments and Refunds   | (615,350)     | (510,196)    | (531,981)  | (853,392)  | (498,912)  |
| Other  | 73,265        | (609,588)    | (151,903)  | 165,739    | (260,055)  |
| Net Change in Plan Fiduciary Net Position                              | 2,564,307     | (1,348,446)  | 2,285,625  | 750,137    | (215,768)  |
| Plan Fiduciary Net Position - Beginning                                | 15,502,332    | 16,850,778   | 14,565,153 | 13,815,016 | 14,030,784 |
| Plan Fiduciary Net Position - Ending (b)                               | \$ 18,066,639 | 15,502,332   | 16,850,778 | 14,565,153 | 13,815,016 |
| <b>EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)</b>                  | \$ 683,243    | 2,499,094    | 61,188     | 1,748,712  | 2,407,103  |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 96.36%        | 86.12%       | 99.64%     | 89.28%     | 85.16%     |
| Covered Valuation Payroll  | 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     | 21.43%        | 79.04%       | 2.03%      | 61.38%     | 84.35%     |

**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 |
|---------------|-------------------------------------|---------------------|----------------------------------|-----------------|--|
| 2024          | \$ 225,646                          | 225,646             | -                                | 4,314,448       | 5.23%  |
| 2023          | 287,635                             | 287,636             | (1)                              | 4,132,688       | 6.96%  |
| 2022          | 326,620                             | 326,620             | -                                | 3,820,120       | 8.55%  |
| 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%   |

\* Estimated based on contribution rate of 5.23% and covered valuation payroll of \$4,314,448

**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 2024 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.<br>Taxing bodies (Regular, SLEP, and ECO groups): 19-year closed period<br>Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the employer upon adoption of ERI.<br>SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 20 years; one employer was financed over 23 years; three employers were financed over 24 years; four employers were financed over 25 years). |
| Asset valuation method        | 5-year smoothed market; 20% corridor  |
| Wage growth                   | 2.75%   |
| Inflation                     | 2.25%   |
| Salary increases              | 2.75% to 13.75% including inflation   |
| Investment rate of return     | 7.25%   |
| Retirement age                | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 - 2019.  |

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

**Other Information:**

Notes There were no benefit changes during the year.

Required Supplementary Information  
Police Pension Fund

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

|  | Year Ended April 30, |                  |                  |                  |                  |                   |                   |                   |                   |                   |
|--|----------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 2025                 | 2024             | 2023             | 2022             | 2021             | 2020              | 2019              | 2018              | 2017              | 2016              |
| <b>TOTAL PENSION LIABILITY</b>   |                      |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| Service Cost   | \$ 618,098           | 537,216          | 547,859          | 542,104          | 530,667          | 522,376           | 521,843           | 494,988           | 462,606           | 527,656           |
| Interest   | 2,154,497            | 2,100,993        | 2,012,683        | 1,902,377        | 1,884,373        | 1,802,222         | 1,711,831         | 1,630,422         | 1,610,743         | 1,425,267         |
| Changes of benefit terms   | -                    | -                | (13,951)         | -                | -                | 101,138           | -                 | -                 | -                 | -                 |
| Difference between expected and actual experience                      | (364,565)            | 207,833          | 690,965          | (761,910)        | (301,307)        | 255,193           | 139,383           | 51,603            | 276,567           | (133,043)         |
| Changes of assumptions   | 275,397              | -                | -                | -                | -                | (93,964)          | -                 | -                 | (1,144,868)       | 1,615,620         |
| Benefit payments, including refunds of employee contributions          | (1,533,656)          | (1,545,229)      | (1,616,549)      | (1,415,343)      | (1,156,256)      | (1,148,540)       | (1,014,960)       | (1,013,106)       | (834,742)         | (736,933)         |
| Net Change in Total Pension Liability                                  | 1,149,771            | 1,300,813        | 1,621,007        | 267,228          | 957,477          | 1,438,425         | 1,358,097         | 1,163,907         | 370,306           | 2,698,567         |
| Total Fiduciary Pension Liability - Beginning                          | 31,905,250           | 30,604,437       | 28,983,430       | 28,716,202       | 27,758,725       | 26,320,300        | 24,962,203        | 23,798,296        | 23,427,990        | 20,729,423        |
| Total Fiduciary Pension Liability - Ending (a)                         | \$ 33,055,021        | 31,905,250       | 30,604,437       | 28,983,430       | 28,716,202       | 27,758,725        | 26,320,300        | 24,962,203        | 23,798,296        | 23,427,990        |
| <b>PLAN FIDUCIARY NET POSITION</b>                                     |                      |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| Contributions - employer   | \$ 1,396,332         | 1,338,214        | 1,349,129        | 1,304,327        | 1,258,390        | 1,219,594         | 1,142,652         | 1,085,076         | 850,349           | 695,513           |
| Contributions - employee   | 275,563              | 261,279          | 239,791          | 256,132          | 226,195          | 212,683           | 199,079           | 188,881           | 194,448           | 184,586           |
| Contributions - other  | 57,481               | 2,840            | -                | -                | -                | -                 | -                 | -                 | -                 | -                 |
| Net investment income  | 2,057,193            | 1,771,969        | 635,882          | (49,689)         | 3,611,144        | 363,699           | 1,122,081         | 716,561           | 1,149,275         | 103,727           |
| Benefit payments, including refunds of employee contributions          | (1,533,656)          | (1,545,229)      | (1,616,549)      | (1,415,343)      | (1,156,256)      | (1,148,540)       | (1,014,960)       | (1,013,106)       | (834,742)         | (736,933)         |
| Administrative expense   | (93,802)             | (42,295)         | (38,877)         | (18,316)         | (18,428)         | (27,662)          | (32,614)          | (21,571)          | (12,106)          | (13,833)          |
| Prior Period Audit Adjustment  | -                    | -                | -                | -                | -                | -                 | -                 | -                 | -                 | (695,513)         |
| Net Change in Plan Fiduciary Net Position                              | 2,159,111            | 1,786,778        | 569,376          | 77,111           | 3,921,045        | 619,774           | 1,416,238         | 955,841           | 1,347,224         | (462,453)         |
| Plan Fiduciary Net Position - Beginning                                | 22,969,593           | 21,182,815       | 20,613,439       | 20,536,328       | 16,615,283       | 15,995,509        | 13,883,758        | 12,927,917        | 11,580,693        | 12,043,146        |
| Plan Fiduciary Net Position - Ending (b)                               | \$ 25,128,704        | 22,969,593       | 21,182,815       | 20,613,439       | 20,536,328       | 16,615,283        | 15,299,996        | 13,883,758        | 12,927,917        | 11,580,693        |
| <b>EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)</b>                  | <b>\$ 7,926,317</b>  | <b>8,935,657</b> | <b>9,421,622</b> | <b>8,369,991</b> | <b>8,179,874</b> | <b>11,143,442</b> | <b>11,020,304</b> | <b>11,078,445</b> | <b>10,870,379</b> | <b>11,847,297</b> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 76.02%               | 71.99%           | 69.21%           | 71.12%           | 71.51%           | 59.86%            | 58.13%            | 55.62%            | 54.32%            | 49.43%            |
| Covered Valuation Payroll  | \$ 2,852,984         | 2,396,506        | 2,421,158        | 2,339,019        | 2,265,394        | 2,135,662         | 2,008,053         | 1,990,599         | 1,927,941         | 1,887,973         |
| Net Pension Liability as a Percentage of Covered Valuation Payroll     | 277.83%              | 372.86%          | 389.14%          | 357.84%          | 361.08%          | 521.78%           | 548.81%           | 556.54%           | 563.83%           | 627.51%           |

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

| Fiscal Year Ending<br>April 30, | Actuarially<br>Determined<br>Contribution | Contributions in<br>Relation to<br>Actuarially<br>Determined<br>Contribution | Contribution<br>Deficiency (Excess) | Covered Payroll | Contributions as a<br>Percentage of<br>Covered Payroll |
|---------------------------------|---|--|-------------------------------------|-----------------|--|
| 2025                            | \$ 1,396,332                              | 1,396,332  | -                                   | 2,852,984       | 48.94%   |
| 2024                            | 1,334,914                                 | 1,338,214  | (3,300)                             | 2,396,506       | 55.84%   |
| 2023                            | 1,349,129                                 | 1,349,129  | -                                   | 2,421,158       | 55.72%   |
| 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.

Assumption changes: The High-Quality 20 Year Tax-Exempt General Obligation ("G.O") Bond Rate assumption was changed from 4.07% to 5.24% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index. 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. The change was made to reflect our understanding of the requirements of GASB under Statement 67 and 68.

Methods and assumptions used to determine 2024 contribution rate:

|                                   |   |
|-----------------------------------|---|
| Actuarial cost method             | Entry age normal  |
| Amortization method               | Level percent of pay (closed)   |
| Remaining amortization period     | 100% funded, 10.04 Years (Layered)  |
| Asset valuation method            | 5-year smoothed market value  |
| Inflation                         | 2.25%   |
| Salary increases                  | 4.00%-11.77%  |
| Investment rate of return         | 7.00%   |
| Retirement age                    | Lauterbach & Amen 2024 Illinois police retirement rates capped at age 65  |
| Disability / withdrawal rates     | Lauterbach & Amen 2024 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 2024. These rates are experience-weighted with the raw rates as developed in the PubS-2010(A) study and improved generationally using MP-2019 |
| 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.  |

**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, |                  |                  |                  |                  |                  |                  |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | 2025                 | 2024             | 2023             | 2022             | 2021             | 2020             | 2019             |
| <b>TOTAL OPEB LIABILITY</b>   |                      |                  |                  |                  |                  |                  |                  |
| Service Cost  | \$ 65,504            | 69,765           | 31,192           | 37,615           | 33,711           | 25,601           | 23,957           |
| Interest  | 44,382               | 38,944           | 56,619           | 47,255           | 51,298           | 64,184           | 66,845           |
| Changes of benefit terms  | -                    | -                | -                | -                | -                | -                | -                |
| Difference between expected and actual experience                   | 340,620              | -                | (653,185)        | -                | (5,535)          | -                | -                |
| Changes of assumptions  | (73,280)             | (61,386)         | (17,769)         | (313,885)        | 100,865          | 332,251          | 28,549           |
| Benefit payments, including refunds of employee contributions       | (53,834)             | (66,339)         | (88,565)         | (89,248)         | (115,655)        | (108,367)        | (110,249)        |
| Net Change in Total OPEB Liability                                  | 323,392              | (19,016)         | (671,708)        | (318,263)        | 64,684           | 313,669          | 9,102            |
| Total OPEB Liability - Beginning                                    | 1,117,372            | 1,136,388        | 1,808,096        | 2,126,359        | 2,061,675        | 1,748,006        | 1,738,904        |
| Total OPEB Liability - Ending (a)                                   | <u>1,440,764</u>     | <u>1,117,372</u> | <u>1,136,388</u> | <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  | \$ 53,834            | 66,339           | 88,565           | 89,248           | 115,655          | 108,367          | 110,249          |
| Contributions - employee  | -                    | -                | -                | -                | -                | -                | -                |
| Net investment income   | -                    | -                | -                | -                | -                | -                | -                |
| Benefit payments, including refunds of employee contributions       | (53,834)             | (66,339)         | (88,565)         | (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>         | <u>-</u>         | <u>-</u>         | <u>-</u>         |
| <b>EMPLOYER'S NET OPEB LIABILITY (ASSET) (a-b)</b>                  | <u>\$ 1,440,764</u>  | <u>1,117,372</u> | <u>1,136,388</u> | <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%            | 0.00%            | 0.00%            | 0.00%            |
| Covered Valuation Payroll   | \$ 6,403,152         | 6,045,094        | 5,883,303        | 6,355,506        | 5,394,079        | 5,724,584        | 5,571,371        |
| Net OPEB Liability as a Percentage of Covered Valuation Payroll     | 22.50%               | 18.48%           | 19.32%           | 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<br>April 30, | Actuarially<br>Determined<br>Contribution | Contributions in<br>Relation to<br>Actuarially<br>Determined<br>Contribution | Contribution<br>Deficiency (Excess) | Covered Payroll | Contributions as a<br>Percentage of<br>Covered Payroll |
|---------------------------------|---|--|-------------------------------------|-----------------|--|
| 2025                            | N/A                                       | -  | N/A                                 | \$ 6,403,152    | 0.00%  |
| 2024                            | N/A                                       | -  | N/A                                 | 6,045,094       | 0.00%  |
| 2023                            | N/A                                       | -  | N/A                                 | 5,883,303       | 0.00%  |
| 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 \$53,834.

\*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***

## CITY OF MORRIS, ILLINOIS

### Notes to Required Supplementary Information For the Year Ended April 30, 2025

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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 15, 2024. The budget was amended on September 15, 2025.

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

No major funds had expenditures in excess of appropriations for the year ended April 30, 2025.

#### **NOTE 3: PENSIONS**

##### **Police Pension**

##### *Changes of Assumptions*

For measurement date April 30, 2025, 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 4.07% to 5.24% 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, 2025

(With Comparative Figures for April 30, 2024)

|  | Total        |           | Special Revenue Funds |           |             |            |
|--|--------------|-----------|-----------------------|-----------|-------------|------------|
|  | Non-major    |           | Illinois              | Motor     | Sanitary    | West       |
|  | Governmental |           |                       |           |             |            |
|  | 2025         | 2024      | Retirement            | Tax       | Contingency | Assessment |
|  | Funds        |           | Fund                  | Fund      | Fund        | Fund       |
| <u>Assets</u>  |              |           |                       |           |             |            |
| Cash and cash equivalents                              | \$ 2,743,291 | 2,958,142 | 409,078               | 1,975,172 | -           | 10,825     |
| Receivables:   |              |           |                       |           |             |            |
| Property taxes   | 2,143,660    | 881,731   | 615,043               | -         | -           | -          |
| Other taxes  | 94,930       | 96,960    | 11,254                | 51,190    | -           | -          |
| Fines  | 871          | 636       | -                     | -         | -           | -          |
| Total assets   | \$ 4,982,752 | 3,937,469 | 1,035,375             | 2,026,362 | -           | 10,825     |
| <u>Liabilities</u>                                     |              |           |                       |           |             |            |
| Overdraft payable                                      | \$ 437,542   | 17,188    | -                     | -         | -           | -          |
| Accrued expenses                                       | 38,610       | 32,275    | 3,189                 | 4,050     | -           | -          |
| Total liabilities                                      | 476,152      | 49,463    | 3,189                 | 4,050     | -           | -          |
| <u>Deferred Inflows of Resources</u>                   |              |           |                       |           |             |            |
| Property taxes levied for subsequent years             | 2,143,660    | 881,731   | 615,043               | -         | -           | -          |
| Total deferred inflows of resources                    | 2,143,660    | 881,731   | 615,043               | -         | -           | -          |
| <u>Fund Balances</u>                                   |              |           |                       |           |             |            |
| Restricted   | 2,800,482    | 3,023,463 | 417,143               | 2,022,312 | -           | 10,825     |
| Unassigned   | (437,542)    | (17,188)  | -                     | -         | -           | -          |
| Total fund balances                                    | 2,362,940    | 3,006,275 | 417,143               | 2,022,312 | -           | 10,825     |
| Total liabilities, deferred inflows, and fund balances | \$ 4,982,752 | 3,937,469 | 1,035,375             | 2,026,362 | -           | 10,825     |

CITY OF MORRIS, ILLINOIS  
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-1  
(CONTINUED)

Combining Balance Sheet  
April 30, 2025  
(With Comparative Figures for April 30, 2024)

|  | Special Revenue Funds                  |                               |                      |  |  |   |                          |
|--|--|-------------------------------|----------------------|--|--|---|--------------------------|
|  | Park and Civic<br>Improvements<br>Fund | Solid<br>Waste<br>Tax<br>Fund | Motel<br>Tax<br>Fund | Drug Fine<br>and<br>Forfeiture<br>Fund | American<br>Recovery<br>Plan Act<br>Fund | Police<br>Seizure and<br>Forfeiture<br>Fund | TIF District III<br>Fund |
| <u>Assets</u>  |  |                               |                      |  |  |   |                          |
| Cash and cash equivalents                              | \$ 112,025                             | -                             | 102,456              | 99,574                                 | -  | 34,161                                      | -                        |
| Receivables:   |  |                               |                      |  |  |   |                          |
| Property taxes   | -                                      | -                             | -                    | -                                      | -  | -   | 1,528,617                |
| Other taxes  | -                                      | -                             | 32,486               | -                                      | -  | -   | -                        |
| Fines  | -                                      | -                             | -                    | 871                                    | -  | -   | -                        |
| Total assets   | <u>\$ 112,025</u>                      | <u>-</u>                      | <u>134,942</u>       | <u>100,445</u>                         | <u>-</u>                                 | <u>34,161</u>                               | <u>1,528,617</u>         |
| <u>Liabilities</u>                                     |  |                               |                      |  |  |   |                          |
| Overdraft payable                                      | \$ -                                   | -                             | -                    | -                                      | -  | -   | 437,542                  |
| Accrued expenses                                       | -                                      | -                             | 31,371               | -                                      | -  | -   | -                        |
| Total liabilities                                      | <u>-</u>                               | <u>-</u>                      | <u>31,371</u>        | <u>-</u>                               | <u>-</u>                                 | <u>-</u>                                    | <u>437,542</u>           |
| <u>Deferred Inflows of Resources</u>                   |  |                               |                      |  |  |   |                          |
| Property taxes levied for subsequent years             | -                                      | -                             | -                    | -                                      | -  | -   | 1,528,617                |
| Total deferred inflows of resources                    | <u>-</u>                               | <u>-</u>                      | <u>-</u>             | <u>-</u>                               | <u>-</u>                                 | <u>-</u>                                    | <u>1,528,617</u>         |
| <u>Fund Balances</u>                                   |  |                               |                      |  |  |   |                          |
| Restricted   | 112,025                                | -                             | 103,571              | 100,445                                | -  | 34,161                                      | -                        |
| Unassigned   | -                                      | -                             | -                    | -                                      | -  | -   | (437,542)                |
| Total fund balances                                    | <u>112,025</u>                         | <u>-</u>                      | <u>103,571</u>       | <u>100,445</u>                         | <u>-</u>                                 | <u>34,161</u>                               | <u>(437,542)</u>         |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 112,025</u>                      | <u>-</u>                      | <u>134,942</u>       | <u>100,445</u>                         | <u>-</u>                                 | <u>34,161</u>                               | <u>1,528,617</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, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|   | Totals       |             | Special Revenue Funds                       |                              |   |  |
|---|--------------|-------------|---|------------------------------|---|--|
|   |              |             | Illinois<br>Municipal<br>Retirement<br>Fund | Motor<br>Fuel<br>Tax<br>Fund | Sanitary<br>Landfill<br>Contingency<br>Board Fund | West<br>Route 6<br>Special<br>Assessment<br>Fund |
|   | 2025         | 2024        |   |                              |   |  |
| Revenues:   |              |             |   |                              |   |  |
| Property taxes  | \$ 862,684   | 640,274     | 606,004                                     | -                            | -   | -  |
| Other local taxes   | 358,183      | 422,611     | 44,326                                      | -                            | -   | -  |
| Intergovernmental   | 640,148      | 647,642     | -   | 640,148                      | -   | -  |
| Grants  | 20,000       | -           | -   | -                            | -   | -  |
| Fines   | 26,724       | 42,293      | -   | -                            | -   | -  |
| Donations   | 59,800       | 108,650     | -   | -                            | -   | -  |
| Interest income   | 121,065      | 189,520     | 16,818                                      | 91,283                       | -   | 4  |
| Miscellaneous   | 28,030       | 4,742       | -   | -                            | -   | -  |
| Total revenues  | 2,116,634    | 2,055,732   | 667,148                                     | 731,431                      | -   | 4  |
| Expenditures:   |              |             |   |                              |   |  |
| Current:  |              |             |   |                              |   |  |
| General Government  | 180,988      | 178,109     | -   | -                            | 77  | -  |
| Public safety   | 23,772       | 20,284      | -   | -                            | -   | -  |
| Transportation and public service                         | 294,461      | 68,272      | -   | 294,461                      | -   | -  |
| Culture and recreation                                    | 451,177      | 420,888     | -   | -                            | -   | -  |
| Environment   | 1            | 281         | -   | -                            | -   | -  |
| Employee retirement costs                                 | 633,964      | 676,188     | 633,964                                     | -                            | -   | -  |
| Capital outlay  | 1,175,606    | 872,216     | -   | 504,050                      | -   | -  |
| Total expenditures  | 2,759,969    | 2,236,238   | 633,964                                     | 798,511                      | 77  | -  |
| Excess (deficiency) of revenues over (under) expenditures | (643,335)    | (180,506)   | 33,184                                      | (67,080)                     | (77)  | 4  |
| Other financing sources (uses):                           |              |             |   |                              |   |  |
| Transfers in  | -            | 200,000     | -   | -                            | -   | -  |
| Transfers out   | -            | (2,152,403) | -   | -                            | -   | -  |
| Total other financing sources (uses)                      | -            | (1,952,403) | -   | -                            | -   | -  |
| Net change in fund balance                                | (643,335)    | (2,132,909) | 33,184                                      | (67,080)                     | (77)  | 4  |
| Fund balance (deficit), beginning of year                 | 3,006,275    | 5,139,184   | 383,959                                     | 2,089,392                    | 77  | 10,821   |
| Fund balance(deficit), end of year                        | \$ 2,362,940 | 3,006,275   | 417,143                                     | 2,022,312                    | -   | 10,825   |

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, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|   | Special Revenue Funds                   |                               |                      |  |  |   | TIF District III<br>Fund |
|---|---|-------------------------------|----------------------|--|--|---|--------------------------|
|   | Parks and Civic<br>Improvements<br>Fund | Solid<br>Waste<br>Tax<br>Fund | Motel<br>Tax<br>Fund | Drug Fine<br>and<br>Forfeiture<br>Fund | American<br>Recovery<br>Plan Act<br>Fund | Police<br>Seizure and<br>Forfeiture<br>Fund |                          |
| Revenues:   |   |                               |                      |  |  |   |                          |
| Property taxes  | \$ -                                    | -                             | -                    | -                                      | -  | -   | 256,680                  |
| Other local taxes   | -                                       | -                             | 313,857              | -                                      | -  | -   | -                        |
| Intergovernmental   | -                                       | -                             | -                    | -                                      | -  | -   | -                        |
| Grants  | 20,000                                  | -                             | -                    | -                                      | -  | -   | -                        |
| Fines   | 3,833                                   | -                             | -                    | 10,529                                 | -  | 12,362                                      | -                        |
| Donations   | 43,500                                  | -                             | 16,300               | -                                      | -  | -   | -                        |
| Interest income   | 4,343                                   | 1                             | 4,917                | 3,692                                  | -  | 7   | -                        |
| Miscellaneous   | 20,125                                  | -                             | 5,000                | 2,905                                  | -  | -   | -                        |
| <b>Total revenues</b>                                     | <b>91,801</b>                           | <b>1</b>                      | <b>340,074</b>       | <b>17,126</b>                          | <b>-</b>                                 | <b>12,369</b>                               | <b>256,680</b>           |
| Expenditures:   |   |                               |                      |  |  |   |                          |
| Current:  |   |                               |                      |  |  |   |                          |
| General Government  | -                                       | -                             | 74,816               | -                                      | -  | 205   | 105,890                  |
| Public safety   | -                                       | -                             | -                    | 19,714                                 | -  | 4,058                                       | -                        |
| Transportation and public service                         | -                                       | -                             | -                    | -                                      | -  | -   | -                        |
| Culture and recreation                                    | 75,226                                  | -                             | 375,951              | -                                      | -  | -   | -                        |
| Environment   | -                                       | 1                             | -                    | -                                      | -  | -   | -                        |
| Employee retirement costs                                 | -                                       | -                             | -                    | -                                      | -  | -   | -                        |
| Capital outlay  | -                                       | -                             | 99,412               | 1,000                                  | -  | -   | 571,144                  |
| <b>Total expenditures</b>                                 | <b>75,226</b>                           | <b>1</b>                      | <b>550,179</b>       | <b>20,714</b>                          | <b>-</b>                                 | <b>4,263</b>                                | <b>677,034</b>           |
| Excess (deficiency) of revenues over (under) expenditures | 16,575                                  | -                             | (210,105)            | (3,588)                                | -  | 8,106                                       | (420,354)                |
| Other financing sources (uses):                           |   |                               |                      |  |  |   |                          |
| Transfers in  | -                                       | -                             | -                    | -                                      | -  | -   | -                        |
| Transfers out   | -                                       | -                             | -                    | -                                      | -  | -   | -                        |
| <b>Total other financing sources (uses)</b>               | <b>-</b>                                | <b>-</b>                      | <b>-</b>             | <b>-</b>                               | <b>-</b>                                 | <b>-</b>                                    | <b>-</b>                 |
| Net change in fund balance                                | 16,575                                  | -                             | (210,105)            | (3,588)                                | -  | 8,106                                       | (420,354)                |
| Fund balance (deficit), beginning of year                 | 95,450                                  | -                             | 313,676              | 104,033                                | -  | 26,055                                      | (17,188)                 |
| Fund balance(deficit), end of year                        | \$ 112,025                              | -                             | 103,571              | 100,445                                | -  | 34,161                                      | (437,542)                |

**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, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)**

|  | 2025               |                 |                | 2024                          |                |
|--|--------------------|-----------------|----------------|-------------------------------|----------------|
|  | Budgeted Amounts   |                 | Actual         | Variance with<br>Final Budget | Actual         |
|  | Original           | Final           |                |                               |                |
| Revenues:  |                    |                 |                |                               |                |
| Property taxes   | 579,957            | 579,957         | 606,004        | 26,047                        | 528,067        |
| Replacement income taxes                                     | 75,000             | 75,000          | 44,326         | (30,674)                      | 69,237         |
| Interest income  | 200                | 200             | 16,818         | 16,618                        | 18,783         |
| Total revenues   | <u>655,157</u>     | <u>655,157</u>  | <u>667,148</u> | <u>11,991</u>                 | <u>616,087</u> |
| Expenditures:  |                    |                 |                |                               |                |
| Personnel:   |                    |                 |                |                               |                |
| Social security contribution                                 | 325,000            | 325,000         | 294,431        | 30,569                        | 291,297        |
| Medicare contribution  | 124,700            | 124,700         | 115,465        | 9,235                         | 113,683        |
| IMRF contribution  | 275,000            | 275,000         | 224,068        | 50,932                        | 271,208        |
| Total expenditures   | <u>724,700</u>     | <u>724,700</u>  | <u>633,964</u> | <u>90,736</u>                 | <u>676,188</u> |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>\$ (69,543)</u> | <u>(69,543)</u> | 33,184         | <u>102,727</u>                | (60,101)       |
| Fund balance, beginning of year                              |                    |                 | <u>383,959</u> |                               | <u>444,060</u> |
| Fund balance, end of year                                    |                    |                 | <u>417,143</u> |                               | <u>383,959</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, 2025**  
**(With Comparative Figures for the Year Ended April 30, 2024)**

|  | 2025                  |                    |                  | 2024                          |                  |
|--|-----------------------|--------------------|------------------|-------------------------------|------------------|
|  | Budgeted Amounts      |                    | Actual           | Variance with<br>Final Budget | Actual           |
|  | Original              | Final              |                  |                               |                  |
| Revenues:  |                       |                    |                  |                               |                  |
| Motor fuel tax allotment                                     | \$ 605,000            | 605,000            | 640,148          | 35,148                        | 622,037          |
| High growth allotment  | 100                   | 100                | -                | (100)                         | 25,605           |
| Rebuild Illinois grant                                       | 10                    | 10                 | -                | (10)                          | -                |
| State grant  | 2,000,000             | 2,000,000          | -                | (2,000,000)                   | -                |
| Interest income  | 40,000                | 40,000             | 91,283           | 51,283                        | 88,335           |
| Total revenues   | <u>2,645,110</u>      | <u>2,645,110</u>   | <u>731,431</u>   | <u>(1,913,679)</u>            | <u>735,977</u>   |
| Expenditures:  |                       |                    |                  |                               |                  |
| Contractual services:  |                       |                    |                  |                               |                  |
| Engineering  | 100,000               | 294,461            | 294,461          | -                             | 68,272           |
| Commodities:   |                       |                    |                  |                               |                  |
| Maintenance - streets  | 5,000                 | 5,000              | -                | (5,000)                       | -                |
| Maintenance - sidewalks                                      | 5,000                 | 5,000              | -                | (5,000)                       | -                |
| Capital outlay   |                       |                    |                  |                               |                  |
| Improvements - streets                                       | 4,500,000             | 4,305,539          | 504,050          | (3,801,489)                   | 413,684          |
| Storm sewer construction                                     | 10,000                | 10,000             | -                | (10,000)                      | -                |
| Total expenditures   | <u>4,620,000</u>      | <u>4,620,000</u>   | <u>798,511</u>   | <u>(3,821,489)</u>            | <u>481,956</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>\$ (1,974,890)</u> | <u>(1,974,890)</u> | (67,080)         | <u>1,907,810</u>              | 254,021          |
| Fund balance, beginning of year                              |                       |                    | <u>2,089,392</u> |                               | <u>1,835,371</u> |
| Fund balance, end of year                                    |                       |                    | <u>2,022,312</u> |                               | <u>2,089,392</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, 2025**  
**(With Comparative Figures for the Year Ended April 30, 2024)**

|  | 2025             |       |        |                               | 2024      |
|--|------------------|-------|--------|-------------------------------|-----------|
|  | Budgeted Amounts |       | Actual | Variance with<br>Final Budget | Actual    |
|  | Original         | Final |        |                               |           |
| Revenues:  |                  |       |        |                               |           |
| Interest income  | \$ 25            | 25    | -      | (25)                          | 4,047     |
| Total revenues   | 25               | 25    | -      | (25)                          | 4,047     |
| Expenditures:  |                  |       |        |                               |           |
| Contractual services:  |                  |       |        |                               |           |
| Miscellaneous expense  | -                | 77    | 77     | -                             | -         |
| Capital outlay:  |                  |       |        |                               |           |
| Landfill closure costs                                       | 155              | 78    | -      | (78)                          | 369,409   |
| Total expenditures   | 155              | 155   | 77     | (78)                          | 369,409   |
| Excess (deficiency) of revenues<br>over (under) expenditures | (130)            | (130) | (77)   | 53                            | (365,362) |
| Other financing sources (uses):                              |                  |       |        |                               |           |
| Transfers from other funds                                   | -                | -     | -      | -                             | 200,000   |
| Net change in fund balance                                   | \$ (130)         | (130) | (77)   | 53                            |           |
| Fund balance, beginning of year                              |                  |       | 77     |                               | 165,439   |
| Fund balance, end of year                                    |                  |       | -      |                               | 77        |

**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, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)**

|  | 2025             |         |        | 2024                          |        |
|--|------------------|---------|--------|-------------------------------|--------|
|  | Budgeted Amounts |         | Actual | Variance with<br>Final Budget | Actual |
|  | Original         | Final   |        |                               |        |
| Revenues:  |                  |         |        |                               |        |
| Interest income  | \$ 4             | 4       | 4      | -                             | 5      |
| Miscellaneous income   | -                | -       | -      | -                             | -      |
| Total revenues   | 4                | 4       | 4      | -                             | 5      |
| Expenditures:  |                  |         |        |                               |        |
| Other expenditures:  |                  |         |        |                               |        |
| Engineering services   | 1,000            | 1,000   | -      | (1,000)                       | -      |
| Improvements   | 1,000            | 1,000   | -      | (1,000)                       | -      |
| Miscellaneous expense  | 1,000            | 1,000   | -      | (1,000)                       | -      |
| Total expenditures   | 3,000            | 3,000   | -      | (3,000)                       | -      |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ (2,996)       | (2,996) | 4      | 3,000                         | 5      |
| Fund balance, beginning of year                              |                  |         | 10,821 |                               | 10,816 |
| Fund balance, end of year                                    |                  |         | 10,825 |                               | 10,821 |

**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, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)**

|  | 2025               |                 |                | 2024                          |                |
|--|--------------------|-----------------|----------------|-------------------------------|----------------|
|  | Budgeted Amounts   |                 | Actual         | Variance with<br>Final Budget | Actual         |
|  | Original           | Final           |                |                               |                |
| Revenues:  |                    |                 |                |                               |                |
| Park site zoning fees  | \$ 6,000           | 6,000           | 3,833          | (2,167)                       | 21,798         |
| Grant  | 630,000            | 630,000         | 20,000         |                               |                |
| Donations  | 23,000             | 23,000          | 43,500         | 20,500                        | 74,900         |
| Miscellaneous income   | 10                 | 10              | 20,125         | 20,115                        | -              |
| Interest income  | 2,000              | 2,000           | 4,343          | 2,343                         | 4,915          |
| Total revenues   | <u>661,010</u>     | <u>661,010</u>  | <u>91,801</u>  | <u>40,791</u>                 | <u>101,613</u> |
| Expenditures:  |                    |                 |                |                               |                |
| Contractual services:  |                    |                 |                |                               |                |
| Other professional services                                  | 678,000            | 644,873         | 60,100         | (584,773)                     | 83,050         |
| Printing/publishing  | 1,000              | 2,687           | 2,686          | (1)                           | 1,405          |
| Other expenditures:  |                    |                 |                |                               |                |
| Miscellaneous donations                                      | -                  | -               | -              | -                             | 4,000          |
| Miscellaneous expense  | 1,000              | 12,440          | 12,440         | -                             | 1,685          |
| Capital outlay:  |                    |                 |                |                               |                |
| Land purchase & improv.                                      | -                  | 20,000          | -              | (20,000)                      | 19,560         |
| Total expenditures   | <u>680,000</u>     | <u>680,000</u>  | <u>75,226</u>  | <u>(604,774)</u>              | <u>109,700</u> |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>\$ (18,990)</u> | <u>(18,990)</u> | 16,575         | <u>35,565</u>                 | (8,087)        |
| Fund balance, beginning of year                              |                    |                 | <u>95,450</u>  |                               | <u>103,537</u> |
| Fund balance, end of year                                    |                    |                 | <u>112,025</u> |                               | <u>95,450</u>  |

**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, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)**

|  | 2025             |       |        |                               | 2024     |
|--|------------------|-------|--------|-------------------------------|----------|
|  | Budgeted Amounts |       | Actual | Variance with<br>Final Budget | Actual   |
|  | Original         | Final |        |                               |          |
| Revenues:  |                  |       |        |                               |          |
| Interest income  | \$ 1             | 1     | 1      | -                             | 2,327    |
| Miscellaneous  | 1                | 1     | -      | (1)                           | -        |
| Total revenues   | 2                | 2     | 1      | (1)                           | 2,327    |
| Expenditures:  |                  |       |        |                               |          |
| Contractual services:  |                  |       |        |                               |          |
| Legal services   | -                | -     | -      | -                             | 281      |
| Other expenditures:  |                  |       |        |                               |          |
| Miscellaneous expense  | -                | 1     | 1      | -                             | -        |
| Capital outlay:  |                  |       |        |                               |          |
| Landfill well monitoring                                     | 252              | 251   | -      | (251)                         | 58,738   |
| Total expenditures   | 252              | 252   | 1      | (251)                         | 59,019   |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ (250)         | (250) | -      | 250                           | (56,692) |
| Fund balance, beginning of year                              |                  |       | -      |                               | 56,692   |
| Fund balance, end of year                                    |                  |       | -      |                               | -        |

**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, 2025**  
**(With Comparative Figures for the Year Ended April 30, 2024)**

|  | 2025             |           |           | 2024                          |         |
|--|------------------|-----------|-----------|-------------------------------|---------|
|  | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget | Actual  |
|  | Original         | Final     |           |                               |         |
| Revenues:  |                  |           |           |                               |         |
| Motel taxes  | \$ 370,000       | 370,000   | 313,857   | (56,143)                      | 353,374 |
| Interest income  | 8,000            | 8,000     | 4,917     | (3,083)                       | 11,737  |
| Sponsorships   | 32,000           | 32,000    | 16,300    | (15,700)                      | 33,750  |
| Miscellaneous income   | 8,000            | 8,000     | 5,000     | (3,000)                       | 3,432   |
| Total revenues   | 418,000          | 418,000   | 340,074   | (77,926)                      | 402,293 |
| Expenditures:  |                  |           |           |                               |         |
| General Government:  |                  |           |           |                               |         |
| Business Dev Director  | 51,376           | 51,517    | 51,517    | -                             | 49,715  |
| Health   | 22,000           | 22,142    | 22,142    | -                             | 19,831  |
| Dental and vision  | 1,000            | 1,000     | 933       | (67)                          | 858     |
| Life   | 137              | 224       | 224       | -                             | 137     |
| Contractual services:  |                  |           |           |                               |         |
| Other professional services                                  | 55,000           | 55,000    | 39,643    | (15,357)                      | 72,578  |
| Printing/publishing  | 10,000           | 10,000    | 7,628     | (2,372)                       | 6,027   |
| Other expenditures:  |                  |           |           |                               |         |
| Sponsorships & donations                                     | 130,000          | 138,520   | 138,520   | -                             | 129,150 |
| City special events  | 25,000           | 41,060    | 41,060    | -                             | 25,771  |
| Tourism expenses   | 72,000           | 116,992   | 116,992   | -                             | 66,125  |
| Miscellaneous expenses                                       | 10,000           | 10,000    | 3,344     | (6,656)                       | 3,465   |
| Home for the Holidays  | 25,000           | 25,000    | 20,513    | (4,487)                       | 24,668  |
| Liberty Art Festival   | 12,000           | 12,000    | 8,251     | (3,749)                       | 2,839   |
| Holiday in the Park  | 1,500            | 1,500     | -         | (1,500)                       | 125     |
| Capital outlay:  |                  |           |           |                               |         |
| Parks improvements   | 300,000          | 229,658   | 94,012    | (135,646)                     | 5,760   |
| I&M canal improvements                                       | 5,000            | 5,400     | 5,400     | -                             | 3,600   |
| Total expenditures   | 720,013          | 720,013   | 550,179   | (169,834)                     | 410,649 |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ (302,013)     | (302,013) | (210,105) | 91,908                        | (8,356) |
| Fund balance, beginning of year                              |                  |           | 313,676   |                               | 322,032 |
| Fund balance, end of year                                    |                  |           | 103,571   |                               | 313,676 |

**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, 2025**  
**(With Comparative Figures for the Year Ended April 30, 2024)**

|  | 2025              |                |                | 2024                          |                |
|--|-------------------|----------------|----------------|-------------------------------|----------------|
|  | Budgeted Amounts  |                | Actual         | Variance with<br>Final Budget | Actual         |
|  | Original          | Final          |                |                               |                |
| Revenues:  |                   |                |                |                               |                |
| Drug enforcement fees  | \$ 200            | 200            | 269            | 69                            | 169            |
| DUI equipment fees   | 12,000            | 12,000         | 9,447          | (2,553)                       | 13,116         |
| Police vehicle equip fees                                    | 1,000             | 1,000          | -              | (1,000)                       | 80             |
| E-Citation development fees                                  | 3,000             | 3,000          | 813            | (2,187)                       | 886            |
| Interest income  | 4,000             | 4,000          | 3,692          | (308)                         | 4,478          |
| Miscellaneous income   | 2,500             | 2,500          | 2,905          | 405                           | 1,310          |
| Total revenues   | <u>22,700</u>     | <u>22,700</u>  | <u>17,126</u>  | <u>(5,574)</u>                | <u>20,039</u>  |
| Expenditures:  |                   |                |                |                               |                |
| Contractual services:  |                   |                |                |                               |                |
| Article 36   | -                 | -              | -              | -                             | 1,481          |
| Other expenditures:  |                   |                |                |                               |                |
| Drug crime enforcement                                       | 4,100             | 4,100          | 2,542          | (1,558)                       | -              |
| DUI fund   | 18,000            | 17,523         | 10,695         | (6,828)                       | 10,069         |
| Miscellaneous expense  | 6,000             | 6,477          | 6,477          | -                             | 7,631          |
| Capital outlay :   |                   |                |                |                               |                |
| Equipment  | 1,000             | 1,000          | 1,000          | -                             | -              |
| E-citation expense   | -                 | -              | -              | -                             | 1,465          |
| Total expenditures   | <u>29,100</u>     | <u>29,100</u>  | <u>20,714</u>  | <u>(8,386)</u>                | <u>20,646</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>\$ (6,400)</u> | <u>(6,400)</u> | <u>(3,588)</u> | <u>2,812</u>                  | <u>(607)</u>   |
| Fund balance, beginning of year                              |                   |                | <u>104,033</u> |                               | <u>104,640</u> |
| Fund balance, end of year                                    |                   |                | <u>100,445</u> |                               | <u>104,033</u> |

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 Year Ended April 30, 2025  
 (With Comparative Figures for the Year Ended April 30, 2024)

|  | 2025             |       |        | 2024                          |             |
|--|------------------|-------|--------|-------------------------------|-------------|
|  | Budgeted Amounts |       | Actual | Variance with<br>Final Budget | Actual      |
|  | Original         | Final |        |                               |             |
| Revenues:  |                  |       |        |                               |             |
| Interest income  | \$ -             | -     | -      | -                             | 54,888      |
| Total revenues   | -                | -     | -      | -                             | 54,888      |
| Total expenditures   | -                | -     | -      | -                             | -           |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | -     | -      | -                             | 54,888      |
| Other financing sources (uses):                              |                  |       |        |                               |             |
| Transfers to other funds                                     | -                | -     | -      | -                             | (2,152,403) |
| Net change in fund balance                                   | \$ -             | -     | -      | -                             | (2,097,515) |
| Fund balance, beginning of year                              |                  |       | -      |                               | 2,097,515   |
| Fund balance, end of year                                    |                  |       | -      |                               | -           |

**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, 2025**  
**(With Comparative Figures for the Year Ended April 30, 2024)**

|  | 2025             |               |               | 2024                          |               |
|--|------------------|---------------|---------------|-------------------------------|---------------|
|  | Budgeted Amounts |               | Actual        | Variance with<br>Final Budget | Actual        |
|  | Original         | Final         |               |                               |               |
| Revenues:  |                  |               |               |                               |               |
| Seizure / asset forfeitures                                  | 29,100           | 29,100        | 12,362        | (16,738)                      | 6,244         |
| Interest Income  | 6                | 6             | 7             | 1                             | 5             |
| Total revenues   | <u>29,106</u>    | <u>29,106</u> | <u>12,369</u> | <u>(16,737)</u>               | <u>6,249</u>  |
| Expenditures:  |                  |               |               |                               |               |
| ISP Asset Forfeiture   | 2,100            | 2,100         | -             | (2,100)                       | -             |
| Operating Expense  | 6,500            | 6,500         | 30            | (6,470)                       | -             |
| Witness Pro  | 200              | 200           | -             | (200)                         | -             |
| Crime Prevention   | 3,000            | 3,000         | -             | (3,000)                       | -             |
| Miscellaneous Expense  | 1,000            | 1,000         | 175           | (825)                         | -             |
| Travel   | 7,500            | 5,442         | -             | (5,442)                       | -             |
| IL State Police disbursement                                 | 2,000            | 4,058         | 4,058         | -                             | 1,103         |
| Total expenditures   | <u>22,300</u>    | <u>22,300</u> | <u>4,263</u>  | <u>(18,037)</u>               | <u>1,103</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>\$ 6,806</u>  | <u>6,806</u>  | 8,106         | <u>1,300</u>                  | 5,146         |
| Fund balance, beginning of year                              |                  |               | <u>26,055</u> |                               | <u>20,909</u> |
| Fund balance, end of year                                    |                  |               | <u>34,161</u> |                               | <u>26,055</u> |

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|  | 2025             |          |           | 2024                          |          |
|--|------------------|----------|-----------|-------------------------------|----------|
|  | Budgeted Amounts |          | Actual    | Variance with<br>Final Budget | Actual   |
|  | Original         | Final    |           |                               |          |
| Revenues:  |                  |          |           |                               |          |
| Property Taxes   | \$ 500,000       | 500,000  | 256,680   | (243,320)                     | 112,207  |
| Interest   | 8,000            | 8,000    | -         | (8,000)                       | -        |
| Total revenues   | 508,000          | 508,000  | 256,680   | (251,320)                     | 112,207  |
| Expenditures:  |                  |          |           |                               |          |
| Street Construction  | 500,000          | 516,324  | 571,144   | 54,820                        | -        |
| Engineering services   | 25,000           | -        | -         | -                             | 55,479   |
| Legal services   | 5,000            | 8,853    | 8,853     | -                             | 4,428    |
| Other professional services                                  | 15,000           | 20,033   | 20,033    | -                             | 13,999   |
| Loan Distribution  | 100              | -        | -         | -                             | -        |
| Building Construction Improv                                 | # 100            | -        | -         | -                             | -        |
| TIF agreement  | 35,500           | 35,500   | 77,004    | 41,504                        | 33,662   |
| Miscellaneous expenses                                       | 10               | -        | -         | -                             | -        |
| Total expenditures   | 580,710          | 580,710  | 677,034   | 96,324                        | 107,568  |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ (72,710)      | (72,710) | (420,354) | (347,644)                     | 4,639    |
| Fund balance (deficit), beginning of year                    |                  |          | (17,188)  |                               | (21,827) |
| Fund balance (deficit), end of year                          |                  |          | (437,542) |                               | (17,188) |

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

**SCHEDULE D-1**

**Combining Statement of Net Position  
April 30, 2025  
(With Comparative Figures for April 30, 2024)**

|  | Operations and<br>Maintenance<br>Fund | Capital<br>Improvement<br>Fund | Alternate<br>Revenue Bond<br>And Interest<br>Fund | Totals            |                   |
|--|---------------------------------------|--------------------------------|---|-------------------|-------------------|
|  |                                       |                                |   | 2025              | 2024              |
| <u>Assets</u>                                    |                                       |                                |   |                   |                   |
| Cash and cash equivalents                        | \$ 4,216,602                          | 1,253,415                      | 166   | 5,470,183         | 8,298,258         |
| Water and sewer fee receivables (net)            | 167,363                               | -                              | -   | 167,363           | 176,402           |
| Due from (to) Capital Improvement Fund           | 4,100,000                             | (4,100,000)                    | -   | -                 | -                 |
| Capital assets:                                  |                                       |                                |   |                   |                   |
| Land   | 613,374                               | -                              | -   | 613,374           | 613,374           |
| Construction in progress                         | 57,560                                | 1,616,170                      | -   | 1,673,730         | -                 |
| Machinery and equipment                          | 1,423,360                             | 123,390                        | -   | 1,546,750         | 1,351,725         |
| Vehicles   | 550,238                               | -                              | -   | 550,238           | 466,748           |
| Infrastructure                                   | 53,303,170                            | 6,170,097                      | -   | 59,473,267        | 59,170,256        |
| Accumulated depreciation                         | (25,633,798)                          | (314,310)                      | -   | (25,948,108)      | (24,952,960)      |
| <b>Total assets</b>                              | <b>38,797,869</b>                     | <b>4,748,762</b>               | <b>166</b>  | <b>43,546,797</b> | <b>45,123,803</b> |
| <u>Deferred Outflows of Resources</u>            |                                       |                                |   |                   |                   |
| Asset retirement obligation                      | 132,532                               | -                              | -   | 132,532           | 134,399           |
| Deferred charge on refunding                     | -                                     | -                              | 67,451  | 67,451            | 109,807           |
|  | <b>132,532</b>                        | <b>-</b>                       | <b>67,451</b>                                     | <b>199,983</b>    | <b>244,206</b>    |
| <u>Liabilities</u>                               |                                       |                                |   |                   |                   |
| Accounts payable and accrued expenses            | 205,329                               | 21,633                         | -   | 226,962           | 849,984           |
| Accrued interest payable                         | 23,056                                | 23,215                         | 9,752   | 56,023            | 42,534            |
| Due to Operations and Maintenance Fund           | -                                     | -                              | -   | -                 | -                 |
| Long-term liabilities due within on year:        |                                       |                                |   |                   |                   |
| Compensated absences                             | 48,999                                | -                              | -   | 48,999            | 66,491            |
| Line of credit                                   | -                                     | -                              | -   | -                 | 964,386           |
| Alternate revenue bonds                          | -                                     | -                              | 521,355   | 521,355           | 511,353           |
| Long term liabilities due in more than one year: |                                       |                                |   |                   |                   |
| Compensated absences                             | 85,638                                | -                              | -   | 85,638            | 91,102            |
| Line of credit                                   | 3,305,435                             | 1,904,785                      | -   | 5,210,220         | 3,925,956         |
| Asset retirement obligation                      | 140,000                               | -                              | -   | 140,000           | 140,000           |
| Alternate revenue bonds                          | -                                     | -                              | 528,740   | 528,740           | 1,050,095         |
| <b>Total liabilities</b>                         | <b>3,808,457</b>                      | <b>1,949,633</b>               | <b>1,059,847</b>                                  | <b>6,817,937</b>  | <b>7,641,901</b>  |
| <u>Net Position</u>                              |                                       |                                |   |                   |                   |
| Net investment in capital assets                 | 27,008,469                            | 5,690,562                      | (1,050,095)                                       | 31,648,936        | 30,197,353        |
| Restricted for:                                  |                                       |                                |   |                   |                   |
| Public works capital projects                    | -                                     | -                              | -   | -                 | -                 |
| Debt service                                     | -                                     | -                              | 57,865  | 57,865            | 95,743            |
| Unrestricted                                     | 8,113,475                             | (2,891,433)                    | -   | 5,222,042         | 7,433,012         |
| <b>Total net position</b>                        | <b>\$ 35,121,944</b>                  | <b>2,799,129</b>               | <b>(992,230)</b>                                  | <b>36,928,843</b> | <b>37,726,108</b> |

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Year Ended April 30, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|   | Operations and<br>Maintenance<br>Fund | Capital<br>Improvement<br>Fund | Alternate<br>Revenue Bond<br>And Interest<br>Fund | Total       |             |
|---|---------------------------------------|--------------------------------|---|-------------|-------------|
|   |                                       |                                |   | 2025        | 2024        |
| Operating revenues:                       |                                       |                                |   |             |             |
| Water and sewer sales                     | \$ 5,793,098                          | -                              | -   | 5,793,098   | 5,513,458   |
| Infrastructure acre fees                  | -                                     | -                              | -   | -           | 1,738,187   |
| Collection fees                           | 1,450,232                             | -                              | -   | 1,450,232   | 30,437      |
| Tap on fees/meters                        | 79,295                                | -                              | -   | 79,295      | 127,500     |
| Miscellaneous revenue                     | 55,462                                | -                              | -   | 55,462      | 41,372      |
| Total operating revenues                  | 7,378,087                             | -                              | -   | 7,378,087   | 7,450,954   |
| Operating expenses:                       |                                       |                                |   |             |             |
| Personal services                         | 1,468,895                             | 327,655                        | -   | 1,796,550   | 1,696,046   |
| Contractual services                      | 1,216,970                             | -                              | -   | 1,216,970   | 1,336,888   |
| Commodities                               | 743,622                               | -                              | -   | 743,622     | 719,258     |
| Capital outlay/maintenance                | 590,892                               | 32,655                         | -   | 623,547     | 1,157,265   |
| Depreciation                              | 878,920                               | 118,095                        | -   | 997,015     | 1,017,413   |
| Other expenses                            | 1,576,109                             | 116                            | -   | 1,576,225   | 195,783     |
| Total operating expenses                  | 6,475,408                             | 478,521                        | -   | 6,953,929   | 6,122,653   |
| Operating income (loss)                   | 902,679                               | (478,521)                      | -   | 424,158     | 1,328,301   |
| Non-operating revenues (expenses):        |                                       |                                |   |             |             |
| Bond service fees                         | -                                     | -                              | (750)   | (750)       | (350)       |
| State and federal grants                  | 25,000                                | -                              | -   | 25,000      | 25,000      |
| Interest income                           | 173,714                               | 63,768                         | 59  | 237,541     | 288,942     |
| Interest expense                          | -                                     | (73,419)                       | (65,594)  | (139,013)   | (81,375)    |
| Total non-operating revenues (expenses)   | 198,714                               | (9,651)                        | (66,285)  | 122,778     | 232,217     |
| Income (loss) before transfers            | 1,101,393                             | (488,172)                      | (66,285)  | 546,936     | 1,560,518   |
| Transfers in (out)                        | (1,893,961)                           | 10,000                         | 539,760   | (1,344,201) | (1,000,000) |
| Change in net position                    | (792,568)                             | (478,172)                      | 473,475   | (797,265)   | 560,518     |
| Net position, beginning of year           | 35,914,512                            | 3,277,301                      | (1,465,705)                                       | 37,726,108  | 37,246,202  |
| Prior Period Adjustment                   | -                                     | -                              | -   | -           | (80,612)    |
| Net position, beginning of year, restated | 35,914,512                            | 3,277,301                      | (1,465,705)                                       | 37,726,108  | 37,165,590  |
| Net position, end of year                 | \$ 35,121,944                         | 2,799,129                      | (992,230)   | 36,928,843  | 37,726,108  |

**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, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)**

|   | 2025                  |                    |                    | 2024                          |                    |
|---|-----------------------|--------------------|--------------------|-------------------------------|--------------------|
|   | Budgeted Amounts      |                    | Actual             | Variance with<br>Final Budget | Actual             |
|   | Original              | Final              |                    |                               |                    |
| Operating revenues:                       |                       |                    |                    |                               |                    |
| Water and sewer sales                     | \$ 5,501,400          | 5,501,400          | 5,562,841          | 61,441                        | 5,398,346          |
| Waste disposal fees                       | 140,000               | 140,000            | 230,257            | 90,257                        | 82,234             |
| Tap-on-fees                               | 60,000                | 60,000             | 42,000             | (18,000)                      | 92,000             |
| Meter sales                               | 30,000                | 30,000             | 37,295             | 7,295                         | 35,500             |
| Garbage collection                        | 1,408,984             | 1,408,984          | 1,410,559          | 1,575                         | 32,878             |
| Rental income                             | 6,425                 | 6,425              | 6,506              | 81                            | 6,196              |
| Merchant fees                             | 22,000                | 22,000             | 33,167             | 11,167                        | 24,241             |
| Miscellaneous income                      | 30,000                | 30,000             | 55,462             | 25,462                        | 41,372             |
| Total operating revenues                  | <u>7,198,809</u>      | <u>7,198,809</u>   | <u>7,378,087</u>   | <u>179,278</u>                | <u>5,712,767</u>   |
| Operating expenses:                       |                       |                    |                    |                               |                    |
| Personal services                         | 1,908,066             | 1,934,406          | 1,468,895          | (465,511)                     | 1,562,955          |
| Contractual services                      | 1,323,560             | 1,431,226          | 1,216,970          | (214,256)                     | 1,336,888          |
| Commodities                               | 1,116,102             | 1,292,274          | 743,622            | (548,652)                     | 719,258            |
| Capital outlay/maintenance                | 3,055,603             | 2,703,242          | 590,892            | (2,112,350)                   | 822,959            |
| Depreciation                              | -                     | -                  | 878,920            | 878,920                       | 899,318            |
| Other expenses                            | 2,629,874             | 2,672,057          | 1,576,109          | (1,095,948)                   | 195,783            |
| Total operating expenses                  | <u>10,033,205</u>     | <u>10,033,205</u>  | <u>6,475,408</u>   | <u>(3,557,797)</u>            | <u>5,537,161</u>   |
| Operating income (loss)                   | <u>(2,834,396)</u>    | <u>(2,834,396)</u> | <u>902,679</u>     | <u>3,737,075</u>              | <u>175,606</u>     |
| Non-operating income (loss):              |                       |                    |                    |                               |                    |
| Federal and state grants                  | 75,100                | 74,900             | 25,000             | (49,900)                      | 25,000             |
| Interest income                           | 150,000               | 150,000            | 173,714            | 23,714                        | 224,120            |
| Total non-operating<br>income (loss)      | <u>225,100</u>        | <u>224,900</u>     | <u>198,714</u>     | <u>(26,186)</u>               | <u>249,120</u>     |
| Income (loss) before transfers            | <u>(2,609,296)</u>    | <u>(2,609,496)</u> | <u>1,101,393</u>   | <u>3,710,889</u>              | <u>424,726</u>     |
| Transfers in (out)                        | <u>(2,049,760)</u>    | <u>(2,049,760)</u> | <u>(1,893,961)</u> | <u>155,799</u>                | <u>(1,549,000)</u> |
| Change in net position                    | <u>\$ (4,659,056)</u> | <u>(4,659,256)</u> | <u>(792,568)</u>   | <u>3,866,688</u>              | <u>(1,124,274)</u> |
| Net position, beginning of year           |                       |                    | 35,914,512         |                               | 37,119,398         |
| Prior Period Adjustment                   |                       |                    | -                  |                               | (80,612)           |
| Net position, beginning of year, restated |                       |                    | <u>35,914,512</u>  |                               | <u>37,038,786</u>  |
| Net position, end of year                 |                       |                    | <u>35,121,944</u>  |                               | <u>35,914,512</u>  |

**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, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)**

|                                      | 2025             |              |           | 2024                          |           |
|--------------------------------------|------------------|--------------|-----------|-------------------------------|-----------|
|                                      | Budgeted Amounts |              | Actual    | Variance with<br>Final Budget | Actual    |
|                                      | Original         | Final        |           |                               |           |
| Operating revenues:                  |                  |              |           |                               |           |
| Infrastructure acre fees             | \$ 435,870       | 435,870      | -         | (435,870)                     | 1,738,187 |
| Total operating revenues             | 435,870          | 435,870      | -         | (435,870)                     | 1,738,187 |
| Operating expenses:                  |                  |              |           |                               |           |
| Contractual services:                |                  |              |           |                               |           |
| Engineering services                 | 475,000          | 475,000      | 326,172   | (148,828)                     | 108,091   |
| Legal services                       | 1,000            | 1,483        | 1,483     | -                             | -         |
| Other professional services          | 5,000            | 4,517        | -         | (4,517)                       | 25,000    |
| Maint. Supplies/Services             | 1,000            | 1,000        | -         | (1,000)                       | -         |
| Capital outlay:                      |                  |              |           |                               |           |
| STP improvements                     | 1                | 1            | -         | (1)                           | -         |
| WTP improvements                     | 4,000,000        | 4,000,000    | -         | (4,000,000)                   | -         |
| Water main improvements              | 1,018,323        | 1,018,323    | 30,655    | (987,668)                     | 6,052     |
| Sanitary sewer improvements          | 6,075,569        | 6,075,569    | 2,000     | (6,073,569)                   | 328,254   |
| NE STP improvements                  | 1                | 1            | -         | (1)                           | -         |
| Other expenses - misc.               | 500              | 500          | 116       | (384)                         | -         |
| Depreciation expense                 | -                | -            | 118,095   | 118,095                       | 118,095   |
| Total operating expenses             | 11,576,394       | 11,576,394   | 478,521   | (11,097,873)                  | 585,492   |
| Operating income                     | (11,140,524)     | (11,140,524) | (478,521) | 10,662,003                    | 1,152,695 |
| Nonoperating income (expense):       |                  |              |           |                               |           |
| Grant                                | 2,000,000        | 2,000,000    | -         | (2,000,000)                   | -         |
| Loan Proceeds                        | 6,075,570        | 6,075,570    | -         | (6,075,570)                   | -         |
| Interest income                      | 40,000           | 40,000       | 63,768    | 23,768                        | 64,583    |
| Interest Expense                     | (340,888)        | (340,888)    | (73,419)  |                               | (5,307)   |
| Total nonoperating income (expense): | 7,774,682        | 8,115,570    | (9,651)   | (8,051,802)                   | 59,276    |
| Transfers in                         | 10,000           | 10,000       | 10,000    | -                             | 10,000    |
| Change in net position               | \$ (3,355,842)   | (3,014,954)  | (478,172) | 2,536,782                     | 1,221,971 |
| Net position, beginning of year      |                  |              | 3,277,301 |                               | 2,055,330 |
| Net position, end of year            |                  |              | 2,799,129 |                               | 3,277,301 |

**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, 2025**  
**(With Comparative Figures for the Year Ended April 30, 2024)**

|   | 2025             |           |             | 2024                          |             |
|---|------------------|-----------|-------------|-------------------------------|-------------|
|   | Budgeted Amounts |           | Actual      | Variance with<br>Final Budget | Actual      |
|   | Original         | Final     |             |                               |             |
| Operating revenue:                      | \$ -             | -         | -           | -                             | -           |
| Operating expenses                      | -                | -         | -           | -                             | -           |
| Operating income (loss)                 | -                | -         | -           | -                             | -           |
| Non-operating income (expense):         |                  |           |             |                               |             |
| Interest income                         | 2                | 2         | 59          | 57                            | 239         |
| Bond principal                          | (505,000)        | (505,000) | -           | 505,000                       | -           |
| Bond interest                           | (34,010)         | (34,010)  | (65,594)    | (31,584)                      | (76,068)    |
| Bond fees                               | (750)            | (750)     | (750)       | -                             | (350)       |
| Total non-operating<br>income (expense) | (539,758)        | (539,758) | (66,285)    | 473,473                       | (76,179)    |
| Transfers in (out)                      | 539,760          | 539,760   | 539,760     | -                             | 539,000     |
| Change in net position                  | \$ 2             | 2         | 473,475     | 473,473                       | 462,821     |
| Net position, beginning of year         |                  |           | (1,465,705) |                               | (1,928,526) |
| Net position, end of year               |                  |           | (992,230)   |                               | (1,465,705) |

**CITY OF MORRIS, ILLINOIS  
AIRPORT FUNDS**

**SCHEDULE E-1**

**Combining Statement of Net Position  
April 30, 2025**

**(With Comparative Figures for April 30, 2024)**

|  | Airport            | Airport             | Totals      |             |
|--|--------------------|---------------------|-------------|-------------|
|  | Operations<br>Fund | Development<br>Fund | 2025        | 2024        |
| <u>Assets</u>                                    |                    |                     |             |             |
| Cash and cash equivalents                        | \$ 1,856,889       | -                   | 1,856,889   | 800,995     |
| Accounts receivable                              | 119,689            | -                   | 119,689     | 14,861      |
| Grants receivable                                | -                  | -                   | -           | 2,848,000   |
| Inventories                                      | 35,183             | -                   | 35,183      | 27,544      |
| Capital assets:                                  |                    |                     |             |             |
| Land   | 4,057,690          | 4,277,861           | 8,335,551   | 7,882,632   |
| Land improvements                                | 58,345             | -                   | 58,345      | 58,345      |
| Machinery and equipment                          | 48,938             | 66,925              | 115,863     | 115,863     |
| Buildings and improvements                       | 1,917,355          | 476,071             | 2,393,426   | 2,393,426   |
| Infrastructure                                   | 7,800,769          | -                   | 7,800,769   | 7,800,769   |
| Vehicles   | 102,500            | -                   | 102,500     | 102,500     |
| Accumulated depreciation                         | (8,757,589)        | (216,387)           | (8,973,976) | (8,864,354) |
| Total assets                                     | 7,239,769          | 4,604,470           | 11,844,239  | 13,180,581  |
| <u>Liabilities</u>                               |                    |                     |             |             |
| Accounts payable and accrued expenses            | 7,510              | -                   | 7,510       | 94,201      |
| Due to other funds                               | (877,404)          | 1,000,000           | 122,596     | 1,370,385   |
| Long-term liabilities due within on year:        |                    |                     |             |             |
| Compensated absences                             | 12,730             | -                   | 12,730      | 24,689      |
| Lease commitments payable                        | 17,673             | -                   | 17,673      | 21,437      |
| Long term liabilities due in more than one year: |                    |                     |             |             |
| Compensated absences                             | 15,270             | -                   | 15,270      | 18,408      |
| Lease commitments payable                        | -                  | -                   | -           | 17,673      |
| Total liabilities                                | (824,221)          | 1,000,000           | 175,779     | 1,546,793   |
| <u>Net Position</u>                              |                    |                     |             |             |
| Net investment in capital assets                 | 6,087,739          | 3,604,470           | 9,692,209   | 8,079,686   |
| Unrestricted                                     | 1,976,251          | -                   | 1,976,251   | 3,554,102   |
| Total net position                               | \$ 8,063,990       | 3,604,470           | 11,668,460  | 11,633,788  |

**CITY OF MORRIS, ILLINOIS  
AIRPORT FUNDS**

**SCHEDULE E-2**

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Year Ended April 30, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)**

|   | Airport            | Airport             | Total      |            |
|---|--------------------|---------------------|------------|------------|
|   | Operations<br>Fund | Development<br>Fund | 2025       | 2024       |
| Operating revenues:                       |                    |                     |            |            |
| Facilities rental                         | \$ 312,765         | -                   | 312,765    | 324,332    |
| Fuel sales                                | 429,939            | -                   | 429,939    | 360,683    |
| Miscellaneous revenue                     | 59,604             | -                   | 59,604     | 4,154      |
| Total operating revenues                  | 802,308            | -                   | 802,308    | 689,169    |
| Operating expenses:                       |                    |                     |            |            |
| Personal services                         | 265,136            | -                   | 265,136    | 255,657    |
| Contractual services                      | 147,471            | -                   | 147,471    | 220,774    |
| Commodities                               | 322,126            | -                   | 322,126    | 310,021    |
| Capital outlay/maintenance                | 28,510             | -                   | 28,510     | 20,688     |
| Depreciation                              | 98,101             | 11,521              | 109,622    | 112,847    |
| Other expenses                            | 6,837              | -                   | 6,837      | 9,635      |
| Total operating expenses                  | 868,181            | 11,521              | 879,702    | 929,622    |
| Operating income (loss)                   | (65,873)           | (11,521)            | (77,394)   | (240,453)  |
| Non-operating revenues (expenses):        |                    |                     |            |            |
| State and federal grants                  | 88,585             | -                   | 88,585     | 3,006,117  |
| Interest income                           | 26,471             | -                   | 26,471     | 25,241     |
| Interest expense                          | (2,990)            | -                   | (2,990)    | (5,972)    |
| Total non-operating revenues (expenses)   | 112,066            | -                   | 112,066    | 3,025,386  |
| Income (loss) before transfers            | 46,193             | (11,521)            | 34,672     | 2,784,933  |
| Transfers in (out)                        | -                  | -                   | -          | 3,600,192  |
| Change in net position                    | 46,193             | (11,521)            | 34,672     | 6,385,125  |
| Net position, beginning of year           | 8,017,797          | 3,615,991           | 11,633,788 | 5,264,876  |
| Prior Period Adjustment                   | -                  | -                   | -          | (16,213)   |
| Net position, beginning of year, restated | 8,017,797          | 3,615,991           | 11,633,788 | 5,248,663  |
| Net position, end of year                 | \$ 8,063,990       | 3,604,470           | 11,668,460 | 11,633,788 |

**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, 2025**  
**(With Comparative Figures for the Year Ended April 30, 2024)**

|                                 | 2025             |                |                | 2024                          |                |
|---------------------------------|------------------|----------------|----------------|-------------------------------|----------------|
|                                 | Budgeted Amounts |                | Actual         | Variance with<br>Final Budget | Actual         |
|                                 | Original         | Final          |                |                               |                |
| Operating revenues:             |                  |                |                |                               |                |
| Fuel sales                      | \$ 450,000       | 450,000        | 429,939        | (20,061)                      | 360,683        |
| Rent:                           |                  |                |                |                               |                |
| Hangars/land                    | 213,681          | 213,681        | 213,534        | (147)                         | 232,456        |
| Farmland                        | 99,412           | 99,412         | 99,231         | (181)                         | 91,876         |
| Miscellaneous income            | 40,185           | 40,185         | 59,604         | 19,419                        | 4,154          |
| <b>Total operating revenues</b> | <b>803,279</b>   | <b>803,279</b> | <b>802,308</b> | <b>(971)</b>                  | <b>689,169</b> |
| Operating expenses:             |                  |                |                |                               |                |
| Personnel:                      |                  |                |                |                               |                |
| Salaries:                       |                  |                |                |                               |                |
| Airport Manager                 | 93,600           | 98,525         | 83,589         | (14,936)                      | 86,656         |
| Airport Maintenance             | 120,000          | 120,000        | 89,102         | (30,898)                      | 80,808         |
| Ground Maintenance              | 43,000           | 47,693         | 47,080         | (613)                         | 46,351         |
| Insurance:                      |                  |                |                |                               |                |
| Health                          | 60,000           | 60,000         | 42,971         | (17,029)                      | 39,917         |
| Dental and vision               | 2,006            | 2,006          | 1,499          | (507)                         | 1,378          |
| Life                            | 685              | 895            | 895            | -                             | 547            |
| Contractual services:           |                  |                |                |                               |                |
| Engineering services            | 125,000          | 125,000        | 48,257         | (76,743)                      | 95,147         |
| Legal fees                      | 5,000            | 8,139          | 8,139          | -                             | 21,326         |
| Medical services and supplies   | 1,500            | 1,500          | -              | (1,500)                       | -              |
| Other professional services     | 70,000           | 48,648         | 13,283         | (35,365)                      | 26,400         |
| Postage expenses                | 1,700            | 1,700          | -              | (1,700)                       | 500            |
| Telephone                       | 5,000            | 5,000          | 3,886          | (1,114)                       | 3,299          |
| Printing/publishing             | 1,000            | 1,000          | 558            | (442)                         | 664            |
| Dues/subscriptions              | 4,000            | 4,182          | 4,182          | -                             | 3,992          |
| Training/travel expense         | 1,800            | 2,337          | 2,337          | -                             | 356            |
| Gas                             | 6,000            | 9,245          | 9,245          | -                             | 7,188          |
| Electricity                     | 25,000           | 25,894         | 25,894         | -                             | 27,439         |
| Insurance liability             | 34,000           | 34,000         | 31,690         | (2,310)                       | 34,463         |
| Commodities:                    |                  |                |                |                               |                |
| Maintenance:                    |                  |                |                |                               |                |
| Buildings                       | 15,000           | 18,061         | 18,061         | -                             | 3,958          |
| Equipment                       | 29,000           | 29,000         | 15,488         | (13,512)                      | 5,156          |
| Vehicles                        | 7,000            | 7,000          | 1,008          | (5,992)                       | 451            |
| Grounds                         | 16,000           | 16,000         | 7,743          | (8,257)                       | 15,550         |
| Office supplies                 | 5,000            | 5,000          | 2,172          | (2,828)                       | 445            |
| Operating supplies              | 2,000            | 2,000          | 779            | (1,221)                       | 909            |
| Tools and small equipment       | 500              | 500            | -              | (500)                         | -              |
| Janitorial supplies             | 1,000            | 1,000          | 525            | (475)                         | 346            |
| Gasoline/diesel/oil/lubricants  | 4,000            | 4,000          | 2,114          | (1,886)                       | 1,708          |
| Aviation fuel                   | 375,000          | 375,000        | 251,742        | (123,258)                     | 260,452        |
| Refunds                         | 20,390           | 20,390         | 465            | (19,925)                      | 465            |
| Fuel sales tax                  | 25,000           | 25,000         | 22,029         | (2,971)                       | 20,581         |

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, 2025  
 (With Comparative Figures for the Year Ended April 30, 2024)

|   | 2025             |             |           | 2024                          |           |
|---|------------------|-------------|-----------|-------------------------------|-----------|
|   | Budgeted Amounts |             | Actual    | Variance with<br>Final Budget | Actual    |
|   | Original         | Final       |           |                               |           |
| Operating expenses (continued):           |                  |             |           |                               |           |
| Capital outlay:                           |                  |             |           |                               |           |
| Buildings & improvements                  | 5,000            | 5,000       | -         | (5,000)                       | -         |
| Land purchase & improv.                   | 458,800          | 459,256     | 6,337     | (452,919)                     | 4,647     |
| T-hangar const. & improv.                 | 3,000            | 3,000       | -         | (3,000)                       | 842       |
| Equipment purchase/lease                  | 223,619          | 223,619     | -         | (223,619)                     | 4,425     |
| Vehicle purchase/lease                    | 6,000            | 6,000       | 6,000     | -                             | 6,000     |
| Runway improvements                       | 650,000          | 650,000     | 16,173    | (633,827)                     | 4,774     |
| Other expenses:                           |                  |             |           |                               |           |
| Miscellaneous expenses                    | 3,000            | 3,000       | 1,062     | (1,938)                       | 3,363     |
| Bank/credit card fees                     | 6,800            | 6,800       | 5,775     | (1,025)                       | 6,272     |
| Depreciation expense                      | -                | -           | 98,101    | 98,101                        | 99,559    |
| Total operating expense                   | 2,455,400        | 2,455,390   | 868,181   | (1,587,209)                   | 916,334   |
| Operating income (loss)                   | (1,652,121)      | (1,652,111) | (65,873)  | 1,586,238                     | (227,165) |
| Nonoperating income (expense):            |                  |             |           |                               |           |
| Federal and state grants                  | 3,989,884        | 3,989,884   | 88,585    | (3,901,299)                   | 3,006,117 |
| Interest income                           | 13,000           | 13,000      | 26,471    | 13,471                        | 25,241    |
| Interest expense                          | (5,222)          | (5,232)     | (2,990)   | 2,242                         | (5,972)   |
| Total nonoperating income (expense)       | 3,997,662        | 3,997,652   | 112,066   | (3,885,586)                   | 3,025,386 |
| Income (loss) before transfers            | 2,345,541        | 2,345,541   | 46,193    | (2,299,348)                   | 2,798,221 |
| Transfers:                                |                  |             |           |                               |           |
| To General Fund                           | (1,247,789)      | (1,247,789) | -         | 1,247,789                     | -         |
| From ARPA                                 | -                | -           | -         | -                             | 2,152,403 |
| From General Fund                         | 300,000          | 300,000     | -         | (300,000)                     | 1,447,789 |
| Total transfers                           | (947,789)        | (947,789)   | -         | (300,000)                     | 3,600,192 |
| Change in net position                    | \$ 1,397,752     | 1,397,752   | 46,193    | (1,351,559)                   | 6,398,413 |
| Net position, beginning of year           |                  |             | 8,017,797 |                               | 1,635,597 |
| Prior Period Adjustment                   |                  |             | -         |                               | (16,213)  |
| Net position, beginning of year, restated |                  |             | 8,017,797 |                               | 1,619,384 |
| Net position, end of year                 |                  |             | 8,063,990 |                               | 8,017,797 |

**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, 2025**  
**(With Comparative Figures for the Year Ended April 30, 2024)**

|                                 | 2025             |       |           | 2024                          |           |
|---------------------------------|------------------|-------|-----------|-------------------------------|-----------|
|                                 | Budgeted Amounts |       | Actual    | Variance with<br>Final Budget | Actual    |
|                                 | Original         | Final |           |                               |           |
| Operating income:               |                  |       |           |                               |           |
| Miscellaneous income            | \$ -             | -     | -         | -                             | -         |
| Operating expenses:             |                  |       |           |                               |           |
| Depreciation expense            | -                | -     | 11,521    | 11,521                        | 13,288    |
| Total operating expenses        | -                | -     | 11,521    | 11,521                        | 13,288    |
| Operating income (loss)         | \$ -             | -     | (11,521)  | (11,521)                      | (13,288)  |
| Net position, beginning of year |                  |       | 3,615,991 |                               | 3,629,279 |
| Net position, end of year       |                  |       | 3,604,470 |                               | 3,615,991 |

**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, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)**

|  | 2025             |           |           | 2024                          |           |
|--|------------------|-----------|-----------|-------------------------------|-----------|
|  | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget | Actual    |
|  | Original         | Final     |           |                               |           |
| Operating revenues:                      |                  |           |           |                               |           |
| Garbage collection fees                  | \$ 100           | 100       | -         | (100)                         | 1,380,618 |
| Total operating revenues                 | 100              | 100       | -         | (100)                         | 1,380,618 |
| Operating expenses:                      |                  |           |           |                               |           |
| Garbage disposal expense                 | -                | -         | -         | -                             | 1,352,970 |
| Miscellaneous expenses                   | -                | -         | -         | -                             | 2,670     |
| Total operating expenses                 | -                | -         | -         | -                             | 1,355,640 |
| Operating income (loss)                  | 100              | 100       | -         | (100)                         | 24,978    |
| Non-operating income (expense):          |                  |           |           |                               |           |
| Interest income                          | 100              | 100       | 553       | 453                           | 13,193    |
| Total non-operating<br>income (expense): | 100              | 100       | 553       | 453                           | 13,193    |
| Transfers:                               |                  |           |           |                               |           |
| To Water & Sewer                         | (483,195)        | (483,195) | (155,799) | 327,396                       | (200,000) |
| Change in net position                   | \$ (482,995)     | (482,995) | (155,246) | 327,749                       | (161,829) |
| Net position, beginning of year          |                  |           | 155,246   |                               | 317,075   |
| Net position, end of year                |                  |           | -         |                               | 155,246   |

**CITY OF MORRIS, ILLINOIS  
POLICE PENSION TRUST FUND**

SCHEDULE G

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
Year Ended April 30, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)**

|  | Year Ended April 30, |                   |
|--|----------------------|-------------------|
|  | 2025                 | 2024              |
| Additions  |                      |                   |
| Contributions:                                       |                      |                   |
| Employer   | \$ 1,396,332         | 1,338,214         |
| Employee   | 333,044              | 264,118           |
| Total contributions                                  | <u>1,729,376</u>     | <u>1,602,332</u>  |
| Investment earnings:                                 |                      |                   |
| Net (decrease) increase in fair value of investments | 1,805,726            | 1,513,050         |
| Interest and dividends                               | 265,262              | 269,008           |
| Total investment earnings                            | 2,070,988            | 1,782,058         |
| Less investment expenses:                            |                      |                   |
| Investment management fees                           | <u>(13,795)</u>      | <u>(10,088)</u>   |
| Net investment income                                | <u>2,057,193</u>     | <u>1,771,970</u>  |
| Total additions                                      | <u>3,786,569</u>     | <u>3,374,302</u>  |
| Deductions   |                      |                   |
| Benefits paid  | 1,533,656            | 1,494,345         |
| Refunds to participants                              | -                    | 50,884            |
| Administrative expense                               | 93,802               | 42,295            |
| Total deductions                                     | <u>1,627,458</u>     | <u>1,587,524</u>  |
| Change in net position                               | 2,159,111            | 1,786,778         |
| Net position, beginning of year                      | <u>22,969,593</u>    | <u>21,182,815</u> |
| Net position, end of year                            | <u>\$ 25,128,704</u> | <u>22,969,593</u> |

CITY OF MORRIS, ILLINOIS  
 CUSTODIAL FUND

SCHEDULE H-1

Combining Statement of Net Position  
 April 30, 2025  
 (With Comparative Figures for April 30, 2024)

|                              | Security Deposit<br>Trust Fund<br>Totals |         |
|------------------------------|--|---------|
|                              | 2025                                     | 2024    |
| <u>Assets</u>                |  |         |
| Cash and cash equivalents    | \$ 178,266                               | 232,311 |
| <u>Liabilities</u>           |  |         |
| Payable to other governments | -  | -       |
| Security deposits payable    | 178,266                                  | 232,311 |
| Total liabilities            | 178,266                                  | 232,311 |
| <u>Net Position</u>          |  |         |
| Unrestricted                 | \$ -                                     | -       |

**CITY OF MORRIS, ILLINOIS  
CUSTODIAL FUND**

SCHEDULE H-2

**Combining Statement of Changes in Assets and Liabilities  
April 30, 2025  
(With Comparative Figures for April 30, 2024)**

|                                  | Security Deposit<br>Trust Fund<br>Totals |                |
|----------------------------------|--|----------------|
|                                  | 2025                                     | 2024           |
| Additions:                       |  |                |
| Security deposits                | \$ -                                     | 103,500        |
| Interest income                  | 13,898                                   | 8,132          |
| Total additions                  | <u>13,898</u>                            | <u>111,632</u> |
| Deductions:                      |  |                |
| Refund of deposits & fees        | <u>67,943</u>                            | <u>31,000</u>  |
| Total deductions                 | <u>67,943</u>                            | <u>31,000</u>  |
| Change in assets & liabilities   | (54,045)                                 | 80,632         |
| Assets & liabilities - beginning | <u>232,311</u>                           | <u>151,679</u> |
| Assets & liabilities - ending    | <u>\$ 178,266</u>                        | <u>232,311</u> |

CITY OF MORRIS, ILLINOIS  
GENERAL FUND

SCHEDULE I-1

Expenditures - Budget and Actual

Year Ended April 30, 2025

(With Comparative Figures for the Year Ended April 30, 2024)

|                             | 2025             |         |         | Variance with<br>Final Budget | 2024    |
|-----------------------------|------------------|---------|---------|-------------------------------|---------|
|                             | Budgeted Amounts |         | Actual  |                               | Actual  |
|                             | Original         | Final   |         |                               |         |
| Finance and administration: |                  |         |         |                               |         |
| Personnel:                  |                  |         |         |                               |         |
| Salaries:                   |                  |         |         |                               |         |
| Mayor                       | \$ 114,010       | 114,010 | 114,323 | 313                           | 112,101 |
| Liquor Commissioner         | 10,000           | 10,000  | 10,028  | 28                            | 10,121  |
| Community Affairs           | 44,995           | 44,995  | 45,163  | 168                           | 43,846  |
| Mayor's Secretary           | 76,362           | 76,362  | 76,697  | 335                           | 76,979  |
| Aldermen                    | 48,000           | 48,000  | 48,000  | -                             | 47,308  |
| Aldermen - Committee Mtg    | 6,500            | 6,500   | 3,325   | (3,175)                       | 3,300   |
| City Clerk                  | 99,315           | 99,315  | 99,588  | 273                           | 97,652  |
| Budget Officer              | 17,500           | 17,500  | 17,548  | 48                            | 17,712  |
| Treasurer                   | 3,500            | 3,500   | 3,500   | -                             | 3,500   |
| Deputy Treasurer            | 86,528           | 86,528  | 86,766  | 238                           | 84,280  |
| Building and Zoning Officer | 100,964          | 100,964 | 101,340 | 376                           | 98,442  |
| Director of Public Works    | 119,679          | 119,873 | 120,631 | 758                           | 116,238 |
| Public Works Secretary      | 58,175           | 58,332  | 58,704  | 372                           | 57,041  |
| Custodian                   | 44,782           | 50,617  | 50,903  | 286                           | 43,801  |
| Fire Marshall               | 37,856           | 37,856  | 37,856  | -                             | 38,104  |
| Deputy City Clerk F&A       | 86,528           | 86,603  | 87,115  | 512                           | 78,584  |
| Human Resource Admin.       | 30,420           | 30,420  | 29,718  | (702)                         | 48,256  |
| Summer Clerical             | 6,700            | 6,700   | 5,936   | (764)                         | 8,929   |
| Zoning Board of Appeals     | 1,000            | 1,000   | 125     | (875)                         | 650     |
| Planning Commission         | 1,500            | 1,500   | 1,320   | (180)                         | 1,020   |
| Police Commission           | 1,000            | 1,000   | 750     | (250)                         | 700     |
| Insurance:                  |                  |         |         |                               |         |
| Health                      | 400,000          | 400,000 | 337,357 | (62,643)                      | 293,657 |
| Dental and vision           | 20,000           | 20,000  | 17,680  | (2,320)                       | 16,199  |
| Life                        | 5,000            | 6,833   | 6,833   | -                             | 4,110   |
| Unemployment                | 100              | 100     | -       | (100)                         | -       |
| Contractual services:       |                  |         |         |                               |         |
| Accounting service          | 35,000           | 35,000  | 21,250  | (13,750)                      | 24,601  |
| Engineering service         | 60,000           | 84,151  | 84,151  | -                             | 74,142  |
| Legal service               | 275,000          | 275,000 | 186,659 | (88,341)                      | 188,266 |
| Data processing/internet    | 80,000           | 80,000  | 56,445  | (23,555)                      | 50,986  |
| Other professional services | 105,000          | 165,423 | 165,423 | -                             | 54,317  |
| Building inspector fee      | 28,150           | 41,150  | 41,150  | -                             | 31,050  |
| Plumbing inspector fee      | 10,000           | 13,650  | 13,650  | -                             | 11,500  |
| Electrical inspector fee    | 1,000            | 1,000   | -       | (1,000)                       | -       |
| Postage and meter expense   | 12,000           | 12,000  | 1,495   | (10,505)                      | 2,966   |
| Telephone                   | 60,000           | 62,210  | 62,210  | -                             | 57,753  |
| Cell phone                  | 1,900            | 1,900   | 1,638   | (262)                         | 1,634   |
| Printing/publishing         | 20,000           | 20,000  | 14,024  | (5,976)                       | 10,360  |
| Dues/subscriptions          | 60,000           | 60,000  | 46,469  | (13,531)                      | 46,843  |
| Training/travel expense     | 6,500            | 14,653  | 14,653  | -                             | 4,345   |
| Codification services       | 20,000           | 20,000  | 5,615   | (14,385)                      | 10,897  |
| Building & zoning expense   | 3,000            | 3,000   | 270     | (2,730)                       | 314     |
| Police/fire commission      | 25,000           | 44,419  | 44,419  | -                             | 16,877  |
| Gas                         | -                | 4,980   | 4,980   | -                             | -       |
| Fire Marshall               | 15,000           | 15,000  | 12,334  | (2,666)                       | 6,774   |
| Insurance                   | 195,000          | 204,823 | 204,823 | -                             | 311,778 |
| Copier machine rental       | 5,000            | 5,000   | 4,830   | (170)                         | 4,278   |

CITY OF MORRIS, ILLINOIS  
GENERAL FUND

SCHEDULE I-1  
(CONTINUED)

Expenditures - Budget and Actual  
Year Ended April 30, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|   | 2025             |           |           | Variance with<br>Final Budget | 2024      |
|---|------------------|-----------|-----------|-------------------------------|-----------|
|   | Budgeted Amounts |           | Actual    |                               | Actual    |
|   | Original         | Final     |           |                               |           |
| Finance and administration (continued): |                  |           |           |                               |           |
| Commodities:                            |                  |           |           |                               |           |
| Maintenance:                            |                  |           |           |                               |           |
| Building                                | \$ 40,000        | 40,088    | 40,088    | -                             | 38,207    |
| Equipment                               | 7,500            | 7,500     | 7,269     | (231)                         | 2,163     |
| Grounds                                 | 9,000            | 9,000     | 2,781     | (6,219)                       | 9,722     |
| Office supplies                         | 20,000           | 20,000    | 6,548     | (13,452)                      | 5,429     |
| Operating supplies                      | 5,000            | 5,000     | 2,768     | (2,232)                       | 4,319     |
| Janitorial supplies                     | 7,000            | 10,273    | 10,273    | -                             | 6,904     |
| Capital outlay:                         |                  |           |           |                               |           |
| Equipment                               | 8,000            | 8,000     | 6,290     | (1,710)                       | -         |
| Furniture                               | 12,000           | 12,000    | -         | (12,000)                      | 9,752     |
| Computer equipment                      | 80,000           | 80,000    | 23,685    | (56,315)                      | 24,801    |
| Other expenditures:                     |                  |           |           |                               |           |
| Replacement tax disbursement            | 70,000           | 70,000    | -         | (70,000)                      | -         |
| Sales tax reimbursement                 | 1,700,000        | 1,542,735 | 1,096,678 | (446,057)                     | 1,519,695 |
| Memorials                               | 400              | 400       | -         | (400)                         | 375       |
| Donations                               | 10,000           | 10,000    | 15,488    | 5,488                         | 468,111   |
| Bank Expense                            | 4,000            | 4,000     | 2,208     | (1,792)                       | 796       |
| Miscellaneous expense                   | 220,000          | 220,000   | 43,775    | (176,225)                     | 12,673    |
| Total finance and administration        | 4,630,864        | 4,630,864 | 3,605,545 | (1,025,319)                   | 4,315,158 |
| Police department:                      |                  |           |           |                               |           |
| Personnel:                              |                  |           |           |                               |           |
| Salaries:                               |                  |           |           |                               |           |
| Chief of Police                         | 136,837          | 136,837   | 137,213   | 376                           | 133,832   |
| Deputy Chief                            | 123,719          | 123,719   | 124,059   | 340                           | 120,501   |
| Sergeants                               | 563,254          | 563,254   | 541,077   | (22,177)                      | 498,155   |
| Patrol Persons                          | 2,102,886        | 1,970,107 | 1,929,362 | (40,745)                      | 1,903,733 |
| Part-time Patrol Persons                | 75,000           | 75,000    | 62,807    | (12,193)                      | 68,236    |
| DC Investigations                       | -                | -         | -         | -                             | 28,824    |
| Police FOIA Officer                     | 7,500            | 7,500     | 7,521     | 21                            | 7,622     |
| Admin. Assistant Investigation          | 63,183           | 63,183    | 63,501    | 318                           | 62,104    |
| Computer Operator                       | 43,555           | 43,555    | 43,802    | 247                           | 42,704    |
| Ordinance Enforcer                      | 59,724           | 59,724    | 56,903    | (2,821)                       | 55,520    |
| Community Service                       | 38,938           | 38,938    | 34,907    | (4,031)                       | 749       |
| School Crossing Guards                  | 78,200           | 78,200    | 70,500    | (7,700)                       | 70,979    |
| Records and Technology                  | 81,111           | 81,111    | 81,529    | 418                           | 79,545    |
| Sick Time/Benefit Payout                | 10               | 10        | -         | (10)                          | -         |
| Overtime/Holiday Pay                    | 551,940          | 639,506   | 629,191   | (10,315)                      | 589,846   |
| Insurance Benefits:                     |                  |           |           |                               |           |
| Health                                  | 1,202,500        | 1,202,500 | 1,089,306 | (113,194)                     | 967,231   |
| Dental and vision                       | 50,000           | 50,000    | 43,581    | (6,419)                       | 39,861    |
| Life                                    | 11,400           | 14,614    | 14,614    | -                             | 9,190     |
| Deferred compensation                   | 12,700           | 12,700    | 12,316    | (384)                         | 12,183    |
| Pension contributions                   | 125,000          | 125,000   | 1,396,332 | 1,271,332                     | 1,334,914 |
| Uniform expense                         | 34,000           | 34,000    | 22,838    | (11,162)                      | 29,425    |
| Contractual services:                   |                  |           |           |                               |           |
| Legal Fees                              | 50,000           | 50,000    | 37,076    | (12,924)                      | 56,818    |
| First Responder Wellness Check Mandate  | 2,000            | 2,000     | 1,800     | (200)                         | 1,800     |
| Medical service - arrestees             | 3,500            | 3,500     | 1,535     | (1,965)                       | -         |
| Data processing service                 | 165,000          | 165,000   | 132,240   | (32,760)                      | 120,350   |
| Dispatcher agreement                    | 425,000          | 425,000   | 421,868   | (3,132)                       | 441,525   |
| Mobile Data Terminal Internet Service   | 10,000           | 10,000    | 8,263     | (1,737)                       | 8,768     |
| Postage and meter expense               | 4,000            | 4,000     | 4,000     | -                             | 1,500     |
| Cell phone                              | 13,000           | 13,184    | 13,184    | -                             | 7,881     |
| Printing/publishing                     | 5,200            | 5,200     | 4,679     | (521)                         | 8,542     |

CITY OF MORRIS, ILLINOIS  
GENERAL FUND

SCHEDULE I-1  
(CONTINUED)

Expenditures - Budget and Actual  
Year Ended April 30, 2025

(With Comparative Figures for the Year Ended April 30, 2024)

|                                   | 2025             |           |           | Variance with<br>Final Budget | 2024      |
|-----------------------------------|------------------|-----------|-----------|-------------------------------|-----------|
|                                   | Budgeted Amounts |           | Actual    |                               | Actual    |
|                                   | Original         | Final     |           |                               |           |
| Police department (continued):    |                  |           |           |                               |           |
| Contractual services (continued): |                  |           |           |                               |           |
| Dues/subscriptions                | \$ 10,000        | 10,000    | 7,479     | (2,521)                       | 7,151     |
| Training/travel expense           | 65,000           | 65,000    | 41,287    | (23,713)                      | 41,082    |
| Tuition reimbursement             | 3,000            | 3,000     | -         | (3,000)                       | -         |
| Investigation expense             | 33,000           | 33,000    | 31,115    | (1,885)                       | 32,057    |
| Booking/processing expense        | 4,000            | 4,000     | 181       | (3,819)                       | 2,054     |
| Copier machine rental             | 4,500            | 4,500     | 3,255     | (1,245)                       | 4,076     |
| Commodities:                      |                  |           |           |                               |           |
| Maintenance:                      |                  |           |           |                               |           |
| Building                          | 12,000           | 12,000    | 1,848     | (10,152)                      | 15,531    |
| Equipment                         | 6,500            | 6,500     | 3,213     | (3,287)                       | 5,240     |
| Vehicles                          | 39,000           | 59,838    | 59,838    | -                             | 33,381    |
| Communication equip.              | 10,000           | 10,000    | -         | (10,000)                      | 2,892     |
| Office supplies                   | 7,000            | 7,000     | 4,686     | (2,314)                       | 4,036     |
| Operating supplies                | 3,500            | 3,500     | 2,789     | (711)                         | 2,732     |
| Gas / oil / lubricants            | 100,000          | 100,000   | 80,995    | (19,005)                      | 73,781    |
| Awards                            | 900              | 900       | 15        | (885)                         | 149       |
| School Crossing Guard Supplies    | 300              | 323       | 323       | -                             | 228       |
| Books and periodicals             | 500              | 500       | -         | (500)                         | 753       |
| Capital outlay:                   |                  |           |           |                               |           |
| Equipment                         | 85,000           | 85,000    | 80,251    | (4,749)                       | 71,567    |
| Vehicles                          | 148,000          | 148,000   | 126,538   | (21,462)                      | 123,309   |
| Furniture                         | 5,500            | 5,500     | 4,312     | (1,188)                       | 2,464     |
| Communication equipment           | 15,000           | 15,000    | 4,503     | (10,497)                      | 17,732    |
| Computer equipment                | 15,000           | 15,000    | 13,593    | (1,407)                       | 16,968    |
| Other expenditures:               |                  |           |           |                               |           |
| Miscellaneous expense             | 12,500           | 12,500    | 14,095    | 1,595                         | 17,768    |
| Animal control                    | 20,000           | 20,000    | 16,151    | (3,849)                       | 17,504    |
| M.A.N.S. expense                  | 5,000            | 5,000     | -         | (5,000)                       | -         |
| Total police department           | 6,644,357        | 6,623,403 | 7,482,471 | 859,068                       | 7,194,793 |
| Streets and alleys:               |                  |           |           |                               |           |
| Personnel:                        |                  |           |           |                               |           |
| Salaries:                         |                  |           |           |                               |           |
| Superintendent of Streets         | 107,843          | 108,495   | 108,495   | -                             | 106,440   |
| Mechanic                          | 87,651           | 87,879    | 87,879    | -                             | 83,624    |
| Class A Operator                  | 369,568          | 473,603   | 354,986   | (118,617)                     | 334,734   |
| Class B Operator                  | 346,679          | 346,679   | 290,037   | (56,642)                      | 316,818   |
| Class A Laborer                   | 390,520          | 390,520   | 473,603   | 83,083                        | 235,151   |
| Class B Laborer                   | 74,402           | 74,402    | 37,104    | (37,298)                      | 211,068   |
| Overtime                          | 40,000           | 40,000    | 33,952    | (6,048)                       | 32,412    |
| Insurance:                        |                  |           |           |                               |           |
| Health                            | 618,238          | 618,238   | 466,048   | (152,190)                     | 490,885   |
| Dental and vision                 | 25,669           | 25,669    | 18,705    | (6,964)                       | 20,366    |
| Life                              | 5,750            | 7,032     | 7,032     | -                             | 4,606     |
| Unemployment                      | 10               | 10        | -         | (10)                          | -         |
| Deferred compensation             | 10,200           | 10,200    | 9,116     | (1,084)                       | 10,316    |

CITY OF MORRIS, ILLINOIS  
GENERAL FUND

SCHEDULE I-1  
(CONTINUED)

Expenditures - Budget and Actual  
Year Ended April 30, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|                                      | 2025             |           |           | Variance with<br>Final Budget | 2024      |
|--------------------------------------|------------------|-----------|-----------|-------------------------------|-----------|
|                                      | Budgeted Amounts |           | Actual    |                               | Actual    |
|                                      | Original         | Final     |           |                               |           |
| Streets and alleys (continued):      |                  |           |           |                               |           |
| Contractual services:                |                  |           |           |                               |           |
| Engineering services                 | \$ 120,000       | 167,546   | 31,698    | (135,848)                     | 72,005    |
| Medical service and testing          | 7,500            | 7,500     | 3,899     | (3,601)                       | 3,884     |
| Other Professional Services          | 160,000          | 160,000   | 121,770   | (38,230)                      | 143,219   |
| Cell phone                           | 1,400            | 1,400     | 1,092     | (308)                         | 1,007     |
| Printing/publishing                  | 500              | 500       | 107       | (393)                         | 324       |
| Training/travel expenses             | 3,000            | 3,000     | 2,418     | (582)                         | 845       |
| Street light electricity             | 120,000          | 120,000   | 167,546   | 47,546                        | 125,553   |
| Rentals                              | 10,000           | 10,000    | 245       | (9,755)                       | 1,031     |
| Commodities:                         |                  |           |           |                               |           |
| Maintenance:                         |                  |           |           |                               |           |
| Buildings                            | 10,000           | 10,000    | 1,933     | (8,067)                       | 5,101     |
| Equipment                            | 50,000           | 50,000    | 37,907    | (12,093)                      | 32,408    |
| Vehicles                             | 40,000           | 45,213    | 45,213    | -                             | 28,399    |
| Streets                              | 50,000           | 50,000    | 16,115    | (33,885)                      | 23,410    |
| Traffic signals                      | 120,000          | 120,000   | 113,978   | (6,022)                       | 180,592   |
| Tree trimming                        | 8,000            | 8,000     | 6,480     | (1,520)                       | -         |
| Street control                       | 110,000          | 110,000   | 43,438    | (66,562)                      | 5,828     |
| Street lights                        | 80,000           | 80,000    | 38,881    | (41,119)                      | 48,455    |
| Operating supplies                   | 50,000           | 50,000    | 27,495    | (22,505)                      | 34,738    |
| Tools and small equipment            | 10,000           | 10,000    | 3,570     | (6,430)                       | 13,345    |
| Janitorial supplies                  | 3,500            | 3,500     | 2,432     | (1,068)                       | 2,323     |
| Gas / oil / lubricants               | 120,000          | 120,000   | 67,220    | (52,780)                      | 91,062    |
| Capital outlay:                      |                  |           |           |                               |           |
| Equipment                            | 90,000           | 90,000    | 126,614   | 36,614                        | 37,800    |
| Vehicles                             | 25,000           | 25,000    | 23,464    | (1,536)                       | 190,843   |
| Street construction                  | 3,450,000        | 1,922,988 | 282,653   | (1,640,335)                   | 44,255    |
| Bridge construction                  | 250,000          | 250,000   | -         | (250,000)                     | 598,620   |
| Storm sewer construction             | 20,000           | 20,000    | 482       | (19,518)                      | 669       |
| Sidewalk construction                | 40,000           | 144,402   | 144,402   | -                             | 30,653    |
| Street signs                         | 18,000           | 18,000    | 7,980     | (10,020)                      | 28,474    |
| Street lighting                      | 40,000           | 40,000    | -         | (40,000)                      | -         |
| Furniture                            | 100,000          | 100,000   | -         | (100,000)                     | -         |
| Communication equipment              | 10,000           | 10,000    | 1,230     | (8,770)                       | 6,775     |
| Other expenditures - misc.           | 12,000           | 12,000    | 5,301     | (6,699)                       | 5,499     |
| Total streets and alleys             | 7,205,430        | 5,941,776 | 3,212,520 | (2,729,256)                   | 3,603,537 |
| Parks department:                    |                  |           |           |                               |           |
| Personnel:                           |                  |           |           |                               |           |
| Salaries:                            |                  |           |           |                               |           |
| Superintendent of Parks & Recreation | 100,000          | 73,633    | -         | (73,633)                      | -         |
| Parks Leadsman                       | 80,246           | 80,505    | 80,505    | -                             | 77,689    |
| Asst. Parks Leadsman                 | 28,922           | 31,719    | 31,719    | -                             | 75,472    |
| Parks Laborer                        | 148,845          | 150,154   | 149,339   | (815)                         | 142,908   |
| Summer Maintenance                   | 65,000           | 65,000    | 48,468    | (16,532)                      | 40,673    |
| Overtime                             | 6,000            | 6,000     | 3,060     | (2,940)                       | 3,501     |
| Insurance:                           |                  |           |           |                               |           |
| Health                               | 180,000          | 180,000   | 136,139   | (43,861)                      | 92,431    |
| Dental and vision                    | 6,500            | 6,500     | 6,013     | (487)                         | 3,883     |
| Life                                 | 1,282            | 1,388     | 1,388     | -                             | 821       |
| Unemployment                         | 100              | 100       | -         | (100)                         | -         |
| Deferred compensation                | 1,967            | 1,967     | 1,883     | (84)                          | 2,800     |

CITY OF MORRIS, ILLINOIS  
GENERAL FUND

SCHEDULE I-1  
(CONTINUED)

Expenditures - Budget and Actual  
Year Ended April 30, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|                               | 2025             |           |           | Variance with<br>Final Budget | 2024    |
|-------------------------------|------------------|-----------|-----------|-------------------------------|---------|
|                               | Budgeted Amounts |           | Actual    |                               | Actual  |
|                               | Original         | Final     |           |                               |         |
| Parks department (continued): |                  |           |           |                               |         |
| Contractual services:         |                  |           |           |                               |         |
| Engineering services          | \$ 50,000        | 50,000    | 4,988     | (45,012)                      | 26,553  |
| Electricity                   | 15,000           | 15,314    | 15,314    | -                             | 10,575  |
| Rentals                       | 1,000            | 1,000     | 134       | (866)                         | -       |
| Commodities:                  |                  |           |           |                               |         |
| Maintenance:                  |                  |           |           |                               |         |
| Building                      | 9,000            | 9,000     | 2,774     | (6,226)                       | 6,874   |
| Equipment                     | 15,000           | 15,000    | 7,827     | (7,173)                       | 8,896   |
| Vehicles                      | 3,000            | 3,000     | 993       | (2,007)                       | 782     |
| Grounds                       | 10,000           | 10,000    | 6,308     | (3,692)                       | 6,225   |
| Tennis courts                 | 2,000            | 2,000     | -         | (2,000)                       | -       |
| Baseball fields               | 20,000           | 40,690    | 40,690    | -                             | 15,981  |
| Operating supplies            | 10,000           | 10,000    | 5,694     | (4,306)                       | 3,637   |
| Tools and small equipment     | 6,500            | 6,500     | 87        | (6,413)                       | -       |
| Janitorial supplies           | 1,500            | 2,392     | 2,392     | -                             | 762     |
| Gas / oil / lubricants        | 18,000           | 18,000    | 12,860    | (5,140)                       | 9,303   |
| Capital outlay:               |                  |           |           |                               |         |
| Park improvements             | 1,750,000        | 3,033,655 | 3,033,655 | -                             | 435,892 |
| Equipment                     | 2,000            | 2,000     | -         | (2,000)                       | 25,472  |
| Vehicles                      | 100              | 100       | -         | (100)                         | -       |
| Other expenditures - misc.    | 5,000            | 5,000     | 1,054     | (3,946)                       | 2,100   |
| Total parks department        | 2,536,962        | 3,820,617 | 3,593,284 | (227,333)                     | 993,230 |
| Swimming Pool:                |                  |           |           |                               |         |
| Personnel:                    |                  |           |           |                               |         |
| Salaries:                     |                  |           |           |                               |         |
| Management                    | 33,221           | 33,221    | 31,579    | (1,642)                       | 29,736  |
| Summer employees              | 95,000           | 95,000    | 85,376    | (9,624)                       | 75,657  |
| Red cross                     | 8,000            | 8,000     | 5,275     | (2,725)                       | 4,264   |
| Contractual services:         |                  |           |           |                               |         |
| Engineering service           | 1                | 1         | -         | (1)                           | -       |
| Printing/publishing           | 1,000            | 1,000     | 141       | (859)                         | 203     |
| Dues/subscriptions            | 1,000            | 1,000     | 863       | (137)                         | 300     |
| Gas                           | 1,000            | 1,000     | 684       | (316)                         | 588     |
| Commodities:                  |                  |           |           |                               |         |
| Maintenance                   | 10,000           | 9,092     | 5,045     | (4,047)                       | 5,402   |
| Operating supplies            | 4,000            | 4,908     | 4,908     | -                             | 2,809   |
| Tools and small equipment     | 1,500            | 1,500     | 209       | (1,291)                       | 192     |
| Janitorial supplies           | 800              | 800       | 16        | (784)                         | 12      |
| Chemicals                     | 30,000           | 30,000    | 14,707    | (15,293)                      | 14,382  |
| Capital outlay:               |                  |           |           |                               |         |
| Pool improvements             | 4,000            | 4,000     | 421       | (3,579)                       | 86      |
| Equipment                     | 7,500            | 7,500     | 7,025     | (475)                         | -       |
| Furniture Purchase            | 8,000            | 8,000     | -         | (8,000)                       | -       |
| Other expenditures:           |                  |           |           |                               |         |
| Miscellaneous                 | 5,000            | 5,000     | 1,165     | (3,835)                       | 1,190   |
| Concession stand              | 15,000           | 15,000    | 7,674     | (7,326)                       | 10,790  |
| Total swimming pool           | 225,022          | 225,022   | 165,088   | (59,934)                      | 145,611 |

**CITY OF MORRIS, ILLINOIS  
GENERAL FUND**

**SCHEDULE I-1  
(CONTINUED)**

**Expenditures - Budget and Actual  
Year Ended April 30, 2025**

**(With Comparative Figures for the Year Ended April 30, 2024)**

|  | 2025                 |                   |                   | Variance with<br>Final Budget | 2024              |
|--|----------------------|-------------------|-------------------|-------------------------------|-------------------|
|  | Budgeted Amounts     |                   | Actual            |                               | Actual            |
|  | Original             | Final             |                   |                               |                   |
| Senior Van:                                  |                      |                   |                   |                               |                   |
| Personnel - salaries                         | \$ 14,000            | 14,212            | 14,212            | -                             | 13,042            |
| Contractual - printing                       | 10                   | 10                | -                 | (10)                          | -                 |
| Commodities:                                 |                      |                   |                   |                               |                   |
| Maintenance                                  | 100                  | 841               | 841               | -                             | 821               |
| Gas / oil / lubricants                       | 3,500                | 3,500             | 2,967             | (533)                         | 2,619             |
| Capital outlay - vehicles                    | 10                   | 10                | -                 | (10)                          | -                 |
| Other expenditures - misc.                   | 500                  | 500               | -                 | (500)                         | 56                |
| <b>Total senior van</b>                      | <b>18,120</b>        | <b>19,073</b>     | <b>18,020</b>     | <b>(1,053)</b>                | <b>16,538</b>     |
| Business Development:                        |                      |                   |                   |                               |                   |
| Printing/Publications                        | -                    | -                 | -                 | -                             | -                 |
| Dues and Subscriptions                       | 2,500                | 2,500             | -                 | (2,500)                       | 981               |
| Training/Traveling Exp                       | 8,000                | 8,000             | 1,381             | (6,619)                       | 554               |
| Office Supply/Equipment/Lease                | 100                  | -                 | -                 | -                             | 29                |
| Equipment Purchase/Lease                     | 10                   | 10                | -                 | (10)                          | -                 |
| Furniture Purchase                           | 1,200                | 1,200             | -                 | (1,200)                       | 5,250             |
| Computer Equipment & Program Purchase        | 100                  | 200               | 200               | -                             | 10                |
| Miscellaneous Expense                        | 5,000                | 5,000             | 582               | (4,418)                       | 5,921             |
| <b>Total Business Development</b>            | <b>16,910</b>        | <b>16,910</b>     | <b>2,163</b>      | <b>(14,747)</b>               | <b>12,745</b>     |
| Activity fund expenditures                   | -                    | -                 | -                 | -                             | -                 |
| Provision for Contingencies                  | 100,000              | 100,000           | -                 | (100,000)                     | -                 |
| <b>Total expenditures</b>                    | <b>21,377,665</b>    | <b>21,377,665</b> | <b>18,079,091</b> | <b>(3,298,574)</b>            | <b>16,281,612</b> |
| Transfers to (from) other funds:             |                      |                   |                   |                               |                   |
| Drug Fine and Forfeiture                     | -                    | -                 | -                 | -                             | 1,447,789         |
| Airport Operations                           | 547,789              | 547,789           | -                 | 547,789                       | -                 |
| <b>Total transfers to (from) other funds</b> | <b>547,789</b>       | <b>547,789</b>    | <b>-</b>          | <b>547,789</b>                | <b>1,447,789</b>  |
| <b>Total General Fund</b>                    | <b>\$ 21,925,454</b> | <b>21,925,454</b> | <b>18,079,091</b> | <b>(3,846,363)</b>            | <b>17,729,401</b> |
| Summary by Function:                         |                      |                   |                   |                               |                   |
| Current:                                     |                      |                   |                   |                               |                   |
| General government                           | \$ 4,647,774         | 4,647,774         | 3,577,733         | (1,070,041)                   | 4,293,350         |
| Public safety                                | 6,250,857            | 6,229,903         | 5,856,942         | (372,961)                     | 5,627,839         |
| Public works                                 | 3,180,540            | 3,340,449         | 2,643,715         | (696,734)                     | 2,681,986         |
| Culture and recreation                       | 998,384              | 998,384           | 717,271           | (281,113)                     | 677,391           |
| Employee retirement costs                    | 125,000              | 125,000           | 1,396,332         | 1,271,332                     | 1,334,914         |
| Capital outlay                               | 6,175,110            | 6,036,155         | 3,887,098         | (2,149,057)                   | 1,666,132         |
| <b>Total expenditures</b>                    | <b>21,377,665</b>    | <b>21,377,665</b> | <b>18,079,091</b> | <b>(3,298,574)</b>            | <b>16,281,612</b> |
| <b>Transfers to (from) other funds</b>       | <b>547,789</b>       | <b>547,789</b>    | <b>-</b>          | <b>547,789</b>                | <b>1,447,789</b>  |
| <b>Total General Fund</b>                    | <b>\$ 21,925,454</b> | <b>21,925,454</b> | <b>18,079,091</b> | <b>(3,846,363)</b>            | <b>17,729,401</b> |

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

SCHEDULE I-2

Expenses - Budget and Actual  
Year Ended April 30, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|  | 2025             |                |                | 2024                          |                |
|--|------------------|----------------|----------------|-------------------------------|----------------|
|  | Budgeted Amounts |                | Actual         | Variance with<br>Final Budget | Actual         |
|  | Original         | Final          |                |                               |                |
| Administrative department:             |                  |                |                |                               |                |
| Personal services:                     |                  |                |                |                               |                |
| Salaries:                              |                  |                |                |                               |                |
| Senior Water Clerk                     | \$ 65,636        | 65,636         | 33,584         | (32,052)                      | 31,757         |
| Water Clerk                            | 91,404           | 95,628         | 94,491         | (1,137)                       | 46,895         |
| Human Resource Admin                   | 32,818           | 32,818         | 29,718         | (3,100)                       | 16,905         |
| Insurance:                             |                  |                |                |                               |                |
| Health                                 | 60,000           | 60,000         | 47,677         | (12,323)                      | 39,917         |
| Dental and vision                      | 1,500            | 1,622          | 1,622          | -                             | 1,378          |
| Life                                   | 800              | 1,324          | 1,324          | -                             | 547            |
| Unemployment                           | -                | -              | -              | -                             | -              |
| Contractual services:                  |                  |                |                |                               |                |
| Accounting service                     | 18,000           | 19,112         | 19,113         | 1                             | 17,617         |
| Legal service                          | 13,000           | 27,208         | 27,208         | -                             | 17,067         |
| Technology and internet                | -                | -              | -              | -                             | -              |
| Postage and meter expense              | 14,000           | 17,141         | 17,141         | -                             | 14,729         |
| Telephone and alarms                   | 38,000           | 45,456         | 45,456         | -                             | 40,380         |
| Cell phone                             | 4,100            | 4,240          | 4,240          | -                             | 4,048          |
| Printing and publishing                | 5,000            | 5,000          | 1,946          | (3,054)                       | 4,765          |
| Dues and subscriptions                 | 500              | 500            | 60             | (440)                         | 226            |
| Training and travel expense            | 100              | 100            | -              | (100)                         | -              |
| Gas                                    | 25,000           | 33,019         | 33,019         | -                             | 29,583         |
| Insurance                              | 195,000          | 204,822        | 204,823        | 1                             | 309,430        |
| Rentals                                | 10               | 10             | -              | (10)                          | -              |
| Copier Machine Rental/Expenses         | 100              | 100            | -              | (100)                         | -              |
| Commodities:                           |                  |                |                |                               |                |
| Office supplies                        | 3,100            | 5,293          | 5,255          | (38)                          | 3,270          |
| Capital outlay:                        |                  |                |                |                               |                |
| Equipment                              | 30,000           | 30,000         | -              | (30,000)                      | -              |
| Computers and programs                 | -                | -              | 19,665         | 19,665                        | 19,562         |
| Other expenses:                        |                  |                |                |                               |                |
| Fees                                   | 28,000           | 39,023         | 39,023         | -                             | 33,070         |
| Water refunds                          | 2,000            | 2,000          | -              | (2,000)                       | 16,142         |
| Miscellaneous expenses                 | 1,000            | 2,003          | 2,003          | -                             | 673            |
| <b>Total administrative department</b> | <b>629,068</b>   | <b>692,055</b> | <b>627,368</b> | <b>(64,687)</b>               | <b>647,961</b> |
| Water department:                      |                  |                |                |                               |                |
| Personal services                      |                  |                |                |                               |                |
| Salaries:                              |                  |                |                |                               |                |
| Water foreman                          | 100,551          | 103,819        | 102,591        | (1,228)                       | 123,112        |
| Assistant foreman                      | 93,600           | 96,364         | 100,319        | 3,955                         | 91,197         |
| Class A                                | 87,651           | 100,861        | 102,973        | 2,112                         | 82,922         |
| Class B                                | 164,445          | 164,445        | 148,583        | (15,862)                      | 189,413        |
| Class C                                | 78,128           | 80,671         | 74,654         | (6,017)                       | 101,831        |
| Class D                                | 71,926           | 71,926         | 62,289         | (9,637)                       | -              |
| Overtime                               | 40,000           | 40,000         | 34,286         | (5,714)                       | 34,963         |
| Summer                                 | 16,400           | 16,400         | 11,252         | (5,148)                       | 9,900          |
| Insurance:                             |                  |                |                |                               |                |
| Health                                 | 300,000          | 295,653        | 174,874        | (120,779)                     | 181,307        |
| Dental and vision                      | 11,950           | 11,950         | 7,959          | (3,991)                       | 7,162          |
| Life                                   | 3,000            | 3,087          | 3,087          | -                             | 1,892          |
| VALIC - employer portion               | 2,650            | 2,650          | 2,650          | -                             | 2,883          |

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

SCHEDULE I-2  
(CONTINUED)

Expenses - Budget and Actual  
Year Ended April 30, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|                                 | 2025             |           |           | 2024                          |           |
|---------------------------------|------------------|-----------|-----------|-------------------------------|-----------|
|                                 | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget | Actual    |
|                                 | Original         | Final     |           |                               |           |
| Water department (continued):   |                  |           |           |                               |           |
| Contractual services:           |                  |           |           |                               |           |
| Engineering services            | \$ 150,000       | 150,000   | 69,996    | (80,004)                      | 104,684   |
| Medical service and supplies    | 500              | 500       | 74        | (426)                         | 181       |
| Technology                      | 30,000           | 30,000    | 13,568    | (16,432)                      | 12,399    |
| JULIE locate service            | 18,000           | 24,634    | 24,634    | -                             | 21,378    |
| Training and travel expense     | 10,000           | 10,000    | 3,386     | (6,614)                       | 4,487     |
| Electricity                     | 260,000          | 298,552   | 298,552   | -                             | 291,678   |
| Rental equipment                | 5,000            | 5,000     | 20        | (4,980)                       | 1,031     |
| Copier machine rental           | 250              | 463       | 463       | -                             | 592       |
| Commodities:                    |                  |           |           |                               |           |
| Maintenance:                    |                  |           |           |                               |           |
| Equipment                       | 50,000           | 51,824    | 51,824    | -                             | 43,495    |
| Meters                          | 15,000           | 15,000    | 2,949     | (12,051)                      | 3,483     |
| Vehicles                        | 15,000           | 15,000    | 11,564    | (3,436)                       | 5,995     |
| WTP and building                | 15,000           | 15,000    | 5,344     | (9,656)                       | 7,042     |
| Water towers                    | 15,000           | 15,000    | 5,063     | (9,937)                       | (1,962)   |
| Well houses                     | 35,000           | 35,000    | 7,715     | (27,285)                      | 142       |
| Water mains                     | 60,000           | 60,000    | 32,423    | (27,577)                      | 60,525    |
| Pumping equipment               | 20,000           | 20,000    | 2,756     | (17,244)                      | 5,441     |
| Grounds                         | 10,000           | 10,000    | 798       | (9,202)                       | -         |
| Office supplies & equipment     | 3,000            | 3,000     | 92        | (2,908)                       | 396       |
| Operating supplies              | 15,000           | 15,000    | 8,521     | (6,479)                       | 10,937    |
| Lab Testing, Samples & Supplies | 12,000           | 12,000    | 5,407     | (6,593)                       | 7,661     |
| Tools and small equipment       | 15,000           | 15,000    | 3,284     | (11,716)                      | -         |
| Janitorial supplies             | 1,000            | 1,000     | 392       | (608)                         | 412       |
| Gas / oil / lubricant           | 37,000           | 37,000    | 21,557    | (15,443)                      | 24,520    |
| Chemicals                       | 75,000           | 75,000    | 61,559    | (13,441)                      | 59,989    |
| Sodium chloride                 | 375,000          | 375,000   | 260,092   | (114,908)                     | 271,854   |
| Print & non-print materials     | 3,000            | 3,000     | -         | (3,000)                       | -         |
| Capital outlay:                 |                  |           |           |                               |           |
| WTP improvements                | 340,000          | 340,000   | 16,537    | (323,463)                     | 205,841   |
| Equipment                       | 140,000          | 140,000   | 738       | (139,262)                     | 47,085    |
| Meters                          | 200,000          | 200,000   | 180,053   | (19,947)                      | 350,543   |
| Valves and hydrants             | 40,000           | 40,000    | -         | (40,000)                      | 16,514    |
| Hydra-stop equipment            | 8,000            | 8,000     | 164       | (7,836)                       | -         |
| Pumping equipment               | 35,000           | 35,000    | -         | (35,000)                      | -         |
| Vehicles                        | 100              | 100       | -         | (100)                         | 39,705    |
| Water main extensions           | 35,000           | 35,000    | -         | (35,000)                      | -         |
| Water well construction         | 75,000           | 75,000    | 12,481    | (62,519)                      | 40,002    |
| Water system control            | 160,000          | 160,000   | -         | (160,000)                     | -         |
| Water towers                    | 1,220,000        | 867,639   | 300,675   | (566,964)                     | 64,397    |
| Furniture                       | 20,000           | 20,000    | 20,000    | -                             | -         |
| Other expenses:                 |                  |           |           |                               |           |
| Water analysis                  | 20,000           | 20,000    | 8,639     | (11,361)                      | 10,049    |
| Miscellaneous expenses          | 5,000            | 5,000     | 1,992     | (3,008)                       | 3,355     |
| Loan Principle                  | 992,395          | 992,395   | -         | (992,395)                     | -         |
| Loan Interest                   | 83,957           | 111,556   | 111,556   | -                             | 100,552   |
| Total water department          | 5,589,503        | 5,329,489 | 2,370,385 | (2,959,104)                   | 2,640,985 |

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

SCHEDULE I-2  
(CONTINUED)

Expenses - Budget and Actual  
Year Ended April 30, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|                             | 2025             |         |         | 2024                          |         |
|-----------------------------|------------------|---------|---------|-------------------------------|---------|
|                             | Budgeted Amounts |         | Actual  | Variance with<br>Final Budget | Actual  |
|                             | Original         | Final   |         |                               |         |
| Sewer department:           |                  |         |         |                               |         |
| Contractual services:       |                  |         |         |                               |         |
| Engineering services        | \$ 70,000        | 70,000  | 29,543  | (40,457)                      | 25,314  |
| Rental equipment            | 10,000           | 10,000  | -       | (10,000)                      | -       |
| Commodities:                |                  |         |         |                               |         |
| Maintenance:                |                  |         |         |                               |         |
| Equipment                   | 15,000           | 15,000  | -       | (15,000)                      | -       |
| Sewer machine               | 1                | 5,326   | 5,326   | -                             | 6,251   |
| Lift stations               | 25,000           | 25,000  | 16,858  | (8,142)                       | 18,557  |
| Sewer mains                 | 1                | 6,481   | 6,481   | -                             | 1,000   |
| Capital outlay:             |                  |         |         |                               |         |
| Equipment                   | 1                | 1       | -       | (1)                           | -       |
| Manholes and grates         | 1                | 1       | -       | (1)                           | -       |
| Sewer extensions            | 1                | 1       | -       | (1)                           | -       |
| Lift stations               | 275,000          | 275,000 | 2,553   | (272,447)                     | -       |
| Miscellaneous expenses      | 10,000           | 12,558  | 185     | (12,373)                      | 71      |
| Total sewer department      | 405,005          | 419,368 | 60,946  | (358,422)                     | 51,193  |
| Sewer treatment department: |                  |         |         |                               |         |
| Personal services:          |                  |         |         |                               |         |
| Salaries:                   |                  |         |         |                               |         |
| Operator                    | 100,551          | 103,700 | 103,700 | -                             | 110,430 |
| Operator 1                  | 1                | 797     | (2,076) | (2,873)                       | 35,086  |
| Lab assistant T4            | 162,490          | 162,490 | 103,077 | (59,413)                      | 202,356 |
| Lab assistant T             | 133,828          | 133,828 | 67,584  | (66,244)                      | 63,313  |
| Summer maintenance          | 8,200            | 8,200   | 5,280   | (2,920)                       | -       |
| Overtime                    | 10,000           | 10,000  | 12,558  | 2,558                         | 15,588  |
| Insurance:                  |                  |         |         |                               |         |
| Health                      | 258,375          | 258,375 | 137,442 | (120,933)                     | 161,552 |
| Dental and vision           | 8,037            | 8,037   | 4,302   | (3,735)                       | 6,037   |
| Life                        | 1,725            | 1,725   | 1,612   | (113)                         | 1,379   |
| VALIC - employer portion    | 2,400            | 2,400   | 1,483   | (917)                         | 3,233   |
| Contractual services:       |                  |         |         |                               |         |
| Engineering services        | 30,000           | 30,000  | 18,594  | (11,406)                      | -       |
| Engineering - NE STP        | 10,000           | 10,000  | -       | (10,000)                      | -       |
| Medical service & supplies  | 8,000            | 8,000   | 3,559   | (4,441)                       | 68      |
| Technology                  | 7,500            | 7,500   | 4,256   | (3,244)                       | 4,511   |
| Training/travel expense     | 9,000            | 9,000   | 3,150   | (5,850)                       | 3,300   |
| Electricity - central       | 125,000          | 134,637 | 134,637 | -                             | 141,156 |
| Electricity - NE STP        | 162,000          | 170,732 | 170,732 | -                             | 179,295 |
| Sludge disposal expense     | 105,000          | 105,000 | 88,381  | (16,619)                      | 108,482 |
| Copier machine rental       | 500              | 500     | 419     | (81)                          | 487     |
| Commodities:                |                  |         |         |                               |         |
| Maintenance:                |                  |         |         |                               |         |
| Equipment                   | 140,000          | 292,549 | 135,564 | (156,985)                     | 113,121 |
| Vehicles                    | 25,000           | 25,000  | 5,618   | (19,382)                      | 11,994  |
| STP                         | 25,000           | 25,000  | 11,109  | (13,891)                      | 9,835   |
| Grounds                     | 4,500            | 4,500   | 3,440   | (1,060)                       | 407     |

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

SCHEDULE I-2  
(CONTINUED)

Expenses - Budget and Actual  
Year Ended April 30, 2025  
(With Comparative Figures for the Year Ended April 30, 2024)

|   | 2025                 |                   |                  | 2024                          |                  |
|---|----------------------|-------------------|------------------|-------------------------------|------------------|
|   | Budgeted Amounts     |                   | Actual           | Variance with<br>Final Budget | Actual           |
|   | Original             | Final             |                  |                               |                  |
| Sewer treatment department (continued): |                      |                   |                  |                               |                  |
| Commodities (continued):                |                      |                   |                  |                               |                  |
| Office supplies and equip.              | \$ 8,000             | 8,000             | 93               | (7,907)                       | 264              |
| Operating supplies                      | 5,000                | 5,000             | 2,309            | (2,691)                       | 481              |
| Lab testing samples                     | 35,000               | 42,801            | 42,801           | -                             | 17,463           |
| Tools and small equipment               | 6,000                | 6,000             | 1,160            | (4,840)                       | 1,934            |
| Janitorial supplies                     | 1,500                | 1,500             | 1,113            | (387)                         | 905              |
| Gasoline/diesel/oil/lubricants          | 32,000               | 32,000            | 15,571           | (16,429)                      | 19,840           |
| Chemicals                               | 20,000               | 20,000            | 9,584            | (10,416)                      | 14,006           |
| Capital outlay:                         |                      |                   |                  |                               |                  |
| Sewer treatment plant                   | 100,000              | 100,000           | 22,915           | (77,085)                      | -                |
| Plant Improvements                      | 200,000              | 200,000           | 13,923           | (186,077)                     | 39,060           |
| Vehicles and equipment                  | 177,500              | 177,500           | 1,188            | (176,312)                     | 250              |
| Other expenses:                         |                      |                   |                  |                               |                  |
| IEPA/NPDES fees                         | 75,000               | 75,000            | 30,500           | (44,500)                      | 30,500           |
| Miscellaneous expenses                  | 5,000                | 5,000             | 143              | (4,857)                       | 1,371            |
| Total sewer treatment                   | <u>2,002,107</u>     | <u>2,184,771</u>  | <u>1,155,721</u> | <u>(1,029,050)</u>            | <u>1,297,704</u> |
| Garbage Disposal Expenses:              |                      |                   |                  |                               |                  |
| Garbage Disposal                        | 1,403,522            | 1,403,522         | 1,379,217        | (24,305)                      | -                |
| Miscellaneous                           | 4,000                | 4,000             | 2,851            | (1,149)                       | -                |
| Total Garbage disposal                  | <u>1,407,522</u>     | <u>1,407,522</u>  | <u>1,382,068</u> | <u>(25,454)</u>               | <u>-</u>         |
| Depreciation expense                    | -                    | -                 | 878,920          | 878,920                       | 899,318          |
| Total expenses                          | <u>10,033,205</u>    | <u>10,033,205</u> | <u>6,475,408</u> | <u>(3,557,797)</u>            | <u>5,537,161</u> |
| Transfers:                              |                      |                   |                  |                               |                  |
| From Garbage                            | -                    | -                 | (155,799)        | (155,799)                     | -                |
| To Revenue Bond & Interest              | 539,760              | 539,760           | 539,760          | -                             | 539,000          |
| To TIF                                  | 1,500,000            | 1,500,000         | 1,500,000        | -                             | 1,000,000        |
| To Capital Improvements                 | 10,000               | 10,000            | 10,000           | -                             | 10,000           |
| Total transfers                         | <u>2,049,760</u>     | <u>2,049,760</u>  | <u>1,893,961</u> | <u>(155,799)</u>              | <u>1,549,000</u> |
| Total Operations & Maintenance          | <u>\$ 12,082,965</u> | <u>12,082,965</u> | <u>8,369,369</u> | <u>(3,713,596)</u>            | <u>7,086,161</u> |
| Summary by Function:                    |                      |                   |                  |                               |                  |
| Operating expenses:                     |                      |                   |                  |                               |                  |
| Personal services                       | \$ 1,908,066         | 1,934,406         | 1,468,895        | (465,511)                     | 1,562,955        |
| Contractual services                    | 1,323,560            | 1,431,226         | 1,216,970        | (214,256)                     | 1,336,888        |
| Commodities                             | 1,116,102            | 1,292,274         | 743,622          | (548,652)                     | 719,258          |
| Capital outlay                          | 3,055,603            | 2,703,242         | 590,892          | (2,112,350)                   | 822,959          |
| Depreciation                            | -                    | -                 | 878,920          | 878,920                       | 899,318          |
| Other expenses                          | 2,629,874            | 2,672,057         | 1,576,109        | (1,095,948)                   | 195,783          |
| Total operating expenses                | <u>10,033,205</u>    | <u>10,033,205</u> | <u>6,475,408</u> | <u>(3,557,797)</u>            | <u>5,537,161</u> |
| Transfers to other accounts             | <u>2,049,760</u>     | <u>2,049,760</u>  | <u>1,893,961</u> | <u>(155,799)</u>              | <u>1,549,000</u> |
| Total Operations & Maintenance          | <u>\$ 12,082,965</u> | <u>12,082,965</u> | <u>8,369,369</u> | <u>(3,713,596)</u>            | <u>7,086,161</u> |

***SUPPLEMENTAL SECTION (UNAUDITED)***

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

| <b>City of Morris</b> | Tax Year       |             |             |             |             |
|-----------------------|----------------|-------------|-------------|-------------|-------------|
|                       | 2020           | 2021        | 2022        | 2023        | 2024        |
| Assessed valuations   | \$ 344,712,482 | 374,047,299 | 415,770,738 | 474,062,476 | 497,647,868 |
| Tax rates:            |                |             |             |             |             |
| General Corporate     | 0.0843         | 0.10881     | 0.15275     | 0.22123     | 0.23210     |
| Police Pension        | 0.3784         | 0.36068     | 0.32107     | 0.29455     | 0.29113     |
| Municipal Retirement  | 0.0949         | 0.08437     | 0.05797     | 0.05590     | 0.04220     |
| Social Security       | 0.0863         | 0.08295     | 0.06952     | 0.05202     | 0.55260     |
| Medicare              | 0.0000         | 0.00000     | 0.00000     | 0.02393     | 0.02613     |
| Police Protection     | 0.0218         | 0.02005     | 0.01804     | 0.01583     | 0.01508     |
| Totals                | 0.6656         | 0.6569      | 0.6194      | 0.6635      | 1.1592      |
| Tax extensions:       |                |             |             |             |             |
| General Corporate     | 290,420        | 407,001     | 635,090     | 1,048,768   | 1,155,041   |
| Police Pension        | 1,304,323      | 1,349,114   | 1,334,915   | 1,396,351   | 1,448,802   |
| Municipal Retirement  | 327,236        | 315,584     | 241,022     | 265,001     | 210,007     |
| Social Security       | 297,521        | 310,272     | 289,044     | 246,607     | 275,000     |
| Medicare              | -              | -           | -           | 113,443     | 130,035     |
| Police Protection     | 75,009         | 74,996      | 75,005      | 75,044      | 75,045      |
| Total                 | 2,294,510      | 2,456,967   | 2,575,076   | 3,145,214   | 3,293,930   |
| Plus: Road & Bridge   | 47,019         | 58,275      | 62,712      | 62,527      | 74,329      |
| Total Extensions      | 2,341,529      | 2,515,242   | 2,637,788   | 3,207,741   | 3,368,259   |
| Tax Collections       | \$ 2,332,876   | 2,415,511   | 2,627,834   | 3,116,077   | -           |

| <b>TIF I:</b>      | 2020          | 2021       | 2022       | 2023       | 2024       |
|--------------------|---------------|------------|------------|------------|------------|
| Assessed valuation | \$ 66,992,697 | 71,515,957 | 78,744,608 | 85,818,253 | 92,600,255 |
| Tax rate           | 0.65200       | 0.61946    | 0.61935    | 0.66346    | 0.6619     |
| Tax Extension      | 5,272,692     | 5,530,343  | 5,999,265  | 6,662,040  | 7,163,796  |
| Tax Collections    | \$ 5,250,460  | 5,526,565  | 5,966,453  | 6,637,293  | -          |

| <b>Marina TIF:</b> | 2020       | 2021    | 2022    | 2023    | 2024    |
|--------------------|------------|---------|---------|---------|---------|
| Assessed valuation | \$ 306,582 | 371,530 | 467,330 | 612,880 | 712,307 |
| Tax rate           | 0.65200    | 0.61946 | 0.61935 | 0.66346 | 0.6619  |
| Tax Extension      | \$ 24,672  | 29,456  | 36,530  | 48,905  | 57,764  |
| Tax Collections    | \$ 23,109  | 27,473  | 36,234  | 44,612  | -       |

| <b>Brisbin Road TIF (TIF III):</b> | 2020 | 2021 | 2022      | 2023      | 2024       |
|------------------------------------|------|------|-----------|-----------|------------|
| Assessed valuation                 | \$ - | -    | 1,546,175 | 3,476,340 | 20,747,460 |
| Tax rate                           | -    | -    | 0.61935   | 0.66346   | 0.6619     |
| Tax Extension                      | \$ - | -    | 11,208    | 256,680   | 1,528,617  |
| Tax Collections                    | \$ - | -    | 112,208   | 256,680   | -          |

***OTHER REQUIRED REPORTING***



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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, 2025, 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 3, 2025.

**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 a significant deficiency. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2025-01, that we consider to be a material weakness.

## **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 3, 2025.

### **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 3, 2025



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## 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 Audit of Financial Statements

#### Opinions

We have audited 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 3, 2025.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Governmental 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 the financial statements are free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Compliance with laws, regulations, contracts and grants applicable to the City of Morris, Illinois, is the responsibility of the City of Morris, Illinois' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement we performed tests on City of Morris, Illinois' compliance with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

However, the results of our tests disclosed no instances of noncompliance with Section 11-74.4-3 of Public Act 85-1142.

#### Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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.

#### Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

This report is intended solely for the information and use of the City Board, management, State of Illinois, and others within the City and is not intended to be and should not be used by anyone other than those specified parties.

*Mack & Associates, P.C.*

Mack & Associates, P.C.  
Certified Public Accountants

Morris, Illinois  
November 3, 2025

**CITY OF MORRIS, ILLINOIS**

**Schedule of Findings and Responses  
For the Year Ended April 30, 2025**

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**2025-01: 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. While management does prepare some cash-to-accrual entries, including accounts payable and accrued wages, the audit firm is still relied upon to make any remaining adjustments to the trial balances, as well as to prepare the financial statements and related footnote disclosures. Those adjustments included:

- Entries to record capital asset additions and depreciation for business-type activities
- Adjustments to record property tax receivables and deferred property taxes
- Adjust accounts receivable regarding revenues received from the State
- Entries to adjust compensated absences
- Record line of credit proceeds and adjust other debt service activity

*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. During fiscal year ended April 30, 2025, the City began implementing this recommendation and had prepared the year end accruals for accounts payable and accrued wages. The City will book the 4/30/2025 audit journal entries provided and work towards preparing the remaining accruals in fiscal year 2026.

**CITY OF MORRIS, ILLINOIS**

**Schedule of Findings and Responses  
For the Year Ended April 30, 2025**

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**FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS**

None.