

CITY OF MORRIS, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING
APRIL 30, 2023



CITY OF MORRIS, ILLINOIS

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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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 7, 2022. The summarized comparative information presented herein as of and for the year ended April 30, 2022 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 20, 2023 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 20, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CITY OF MORRIS, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2023

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, 2023. 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 \$75,326,583 (net position). The City has an unrestricted net position of \$657,588 at April 30, 2023.
- The City's total net position increased by \$3,685,772 (4.8%) for the fiscal year ended April 30, 2023. Of this amount, the governmental net position increased by \$3,951,401 (12.0%) and the business-type net position decreased by (\$265,629) (-0.6%). The governmental-type net position increased primarily due to increased grant funding received in the current year. The business-type net position decreased primarily due to a decrease in water and sewer fees from prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21,213,373, an increase of \$2,926,068 (13.6%) in comparison with the prior fiscal year. Approximately 45% of the total fund balance, \$9,428,986, was unassigned and available for spending at the City's discretion.
- The City's total long-term debt decreased by \$523,076 during the current fiscal year due to scheduled payments on bond issues and capital leases. The City issued a line of credit of \$2,418,188 that is due on August 17, 2023.

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, 2023

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, 2023

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, 2023**

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 Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<u>Assets</u>						
Current and other assets	\$ 31,105,487	30,080,987	6,244,950	8,380,055	37,350,437	38,461,042
Capital assets	27,268,922	27,308,269	41,393,989	37,610,870	68,662,911	64,919,139
Total assets	<u>58,374,409</u>	<u>57,389,256</u>	<u>47,638,939</u>	<u>45,990,925</u>	<u>106,013,348</u>	<u>103,380,181</u>
Deferred Outflows	<u>6,191,640</u>	<u>2,553,730</u>	<u>288,727</u>	<u>333,042</u>	<u>6,480,367</u>	<u>2,886,772</u>
<u>Liabilities</u>						
Current liabilities	1,281,243	1,285,279	3,352,107	984,623	4,633,350	2,269,902
Long-term liabilities	18,283,451	16,593,261	1,747,406	2,245,562	20,030,857	18,838,823
Total liabilities	<u>19,564,694</u>	<u>17,878,540</u>	<u>5,099,513</u>	<u>3,230,185</u>	<u>24,664,207</u>	<u>21,108,725</u>
Deferred inflows	<u>12,466,925</u>	<u>13,481,427</u>	<u>-</u>	<u>-</u>	<u>12,466,925</u>	<u>13,481,427</u>
<u>Net Position</u>						
Net investment in capital assets	27,268,922	27,308,269	35,517,393	33,641,991	62,786,315	60,950,260
Restricted	11,784,387	10,984,448	134,293	1,145,713	11,918,680	12,130,161
Unrestricted	(6,518,879)	(9,709,688)	7,176,467	8,306,078	657,588	(1,403,610)
Total net position	<u>\$ 32,534,430</u>	<u>28,583,029</u>	<u>42,828,153</u>	<u>43,093,782</u>	<u>75,362,583</u>	<u>71,676,811</u>

Net investment in capital assets – the largest portion (86.6%) 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 (17.1%) is restricted and represents resources that are subject to external restrictions by enabling legislation, debt covenants, or other legal requirements on how they may be used.

Unrestricted net position – the remaining balance of \$657,588 is unrestricted.

Much of the \$3,685,772 increase in net position is attributable to increases in capital assets and American Recovery Plan Act Grant that has not yet been expended.

CITY OF MORRIS, ILLINOIS

**Management's Discussion and Analysis - Unaudited
For the Year Ended April 30, 2023**

Government-wide Financial Analysis – (Continued):

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 544,729	531,364	7,053,987	8,826,822	7,598,716	9,358,186
Operating grants and contributions	2,749,829	2,200,315	-	-	2,749,829	2,200,315
Capital grants	37,016	38,994	-	2,052,870	37,016	2,091,864
General revenues:						
Property taxes	8,089,226	7,606,445	-	-	8,089,226	7,606,445
Sales and use taxes	10,022,653	8,898,514	-	-	10,022,653	8,898,514
Other taxes	466,595	447,046	-	-	466,595	447,046
Intergovernmental revenue	3,616,579	3,497,554	-	-	3,616,579	3,497,554
Franchise fees	232,011	234,739	-	-	232,011	234,739
Interest income	249,717	11,765	59,194	6,018	308,911	17,783
Other	312,636	217,925	-	-	312,636	217,925
Total revenues	<u>26,320,991</u>	<u>23,684,661</u>	<u>7,113,181</u>	<u>10,885,710</u>	<u>33,434,172</u>	<u>34,570,371</u>
Program expenses:						
General government	6,191,808	5,041,728	-	-	6,191,808	5,041,728
Employee retirement costs	2,035,524	1,797,619	-	-	2,035,524	1,797,619
Public safety	4,636,983	3,709,174	-	-	4,636,983	3,709,174
Transportation and public service	5,012,998	6,725,613	-	-	5,012,998	6,725,613
Culture & recreation	1,054,939	809,792	-	-	1,054,939	809,792
Environment	113,157	295,618	-	-	113,157	295,618
Community development	3,324,181	3,157,209	-	-	3,324,181	3,157,209
Water and sewer	-	-	5,171,316	5,037,375	5,171,316	5,037,375
Airport Operation	-	-	908,577	1,028,870	908,577	1,028,870
Garbage collection and disposal	-	-	1,298,917	1,270,607	1,298,917	1,270,607
Total expenses	<u>22,369,590</u>	<u>21,536,753</u>	<u>7,378,810</u>	<u>7,336,852</u>	<u>29,748,400</u>	<u>28,873,605</u>
Change in net position	3,951,401	2,147,908	(265,629)	3,548,858	3,685,772	5,696,766
Transfers	-	(100,000)	-	100,000	-	-
Net position, beginning of year	<u>28,583,029</u>	<u>26,535,121</u>	<u>43,093,782</u>	<u>39,444,924</u>	<u>71,676,811</u>	<u>65,980,045</u>
Net position, end of year	<u>\$ 32,534,430</u>	<u>28,583,029</u>	<u>42,828,153</u>	<u>43,093,782</u>	<u>75,362,583</u>	<u>71,676,811</u>

The City of Morris, Illinois' change in net position of governmental activities was an increase of \$3,951,401 during the year.

Revenues for governmental activities was increased compared to the prior year by \$2,636,330.

Expenses for governmental activities increased by \$832,837 over the prior fiscal year. The change is primarily attributable to increased pension and OPEB expense, as well as additional capital outlay.

Business-type activities decreased the City's net position by (\$265,629).

CITY OF MORRIS, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2023

Government-wide Financial Analysis – (Continued):

The City provides garbage collection and disposal, airport facilities, and water and sewer treatment to all residents. The City's total business-type revenues decreased by \$3,772,529 over the prior year. Most of the decrease is due to a decrease in water and sewer revenues from prior year.

Expenses increased by \$41,958 from the prior fiscal year. There has been a general decrease in expenses in the water and sewer fund, while airport and garbage-related expenses have remained relatively consistent. Most of the decrease is due to decreased capital expenditures.

Individual Major Fund Analysis

Governmental Fund Highlights

As the City of Morris, Illinois completed the year, its governmental funds reported a combined fund balance of \$21,213,373, which is \$2,926,068 more than the \$18,287,305 total fund balance at April 30, 2022. \$9,428,986, or 45%, 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 \$11,784,387 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 \$2,306,836 largely due to increased tax revenues and intergovernmental revenues.

On the expenditure side, the increase over the prior fiscal year was \$1,522,230. A large portion of the increase can be attributed to general government expenditures.

Tax Increment Financing Fund I – The Tax Increment Financing Fund I represents a specific taxing district funded by local property taxes. Current year revenues show an increase of \$358,617. Revenues increased due to higher property tax collections in the current year.

Expenditures decreased \$1,557,258 from the prior fiscal year due to capital outlay expenditures in the prior 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 \$300,000.

Expenditures decreased by \$656,205 from the prior fiscal year. The decrease is primarily due to CLC closure expenditures and engineering services in the prior year.

CITY OF MORRIS, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2023

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 \$317,075 for the Garbage Fund, \$6,783,326 for the Water and Sewer Fund, and \$76,066 for the Airport Fund. At the end of the fiscal year, the City's proprietary funds reported a decrease in net position of \$265,629 over the prior year. Of the decrease, \$107,418 came from the Water and Sewer Fund, \$181,056 came from the Airport Fund, and the Garbage Fund increased by \$22,845. A discussion of all proprietary funds follows:

Water and Sewer Fund – The Water and Sewer Fund revenues decreased by \$1,967,719 due to a decrease in water and sewer sales as well as infrastructure fees. Operating expenses increased by \$143,578.

Airport Fund – The Airport Fund revenues increased by \$171,479. Most of this increase is related to an increase in fuel sales. Expenses decreased \$119,411 from the prior year.

Garbage Fund – Garbage fee income of \$1,319,253 exceeded garbage disposal costs of \$1,298,917 by \$20,336. Customer fees have continued to successfully match or exceed costs. The City continues to monitor and increase fees as required to keep up with the usual contractual increases.

General Fund Budgetary Highlights

The original 2023 fiscal year budget was adopted on April 29, 2022. The comparison of General Fund original budget to the final budget is on pages 68-69 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. No budget amendments were made to the General Fund during the current fiscal year.

General Fund revenues were \$3,145,686 above budget estimates.

General Fund expenditures were \$1,246,107 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, 2023**

Capital Assets and Debt Administration

Capital Assets

The City’s capital assets include land, land improvements, buildings, machinery and equipment, infrastructure and construction in progress. Capital assets for governmental activities totaled \$27,268,922 (net of accumulated depreciation/amortization) at April 30, 2023. Capital assets for business type activities totaled \$41,393,989 (net of accumulated depreciation) at April 30, 2023. 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	
	2023	2022	2023	2022	2023	2022
Land	\$ 6,528,556	6,528,556	5,546,795	5,546,795	12,075,351	12,075,351
Construction in Progress	1,182,412	-	4,580,994	2,296,400	5,763,406	2,296,400
Land Improvements	1,764,179	1,601,150	4,376	7,293	1,768,555	1,608,443
Buildings & Improvements	7,966,888	8,089,886	1,413,922	1,463,909	9,380,810	9,553,795
Machinery & Equipment	1,110,372	1,347,365	813,800	532,344	1,924,172	1,879,709
Vehicles	676,398	876,779	138,973	142,831	815,371	1,019,610
Infrastructure	8,040,117	8,864,533	28,895,129	27,621,297	36,935,246	36,485,830
Total	\$ 27,268,922	27,308,269	41,393,989	37,610,869	68,662,911	64,919,138

Net capital assets increased by \$3,743,772 for the 2023 fiscal year. The City expended available resources to acquire \$8,537,215 in capital asset additions during the year. These additions were reduced by the current year’s depreciation expense of \$2,497,042. (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, 2023**

Capital Assets and Debt Administration – (Continued)

Long-term Debt

Long-term Debt – At April 30, 2023, the City had total net debt outstanding of \$4,506,211, including the lease payments on right to use assets that consist of airport hangars for \$25,204, a line of credit of \$2,418,188, and the remaining balance due on the 2012 alternate revenue bond issue of \$2,062,819.

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

	<u>Business-type activities</u>	
	<u>2023</u>	<u>2022</u>
Refunding Bonds Alternate Revenue Source (incl. premium)	\$ 2,062,821	2,554,172
Line of Credit	2,418,188	-
Leases - Right to Use Assets	25,204	44,322
Total	<u>\$ 4,506,213</u>	<u>2,598,494</u>

Total outstanding debt decreased by \$510,471 during the fiscal year as a result of the normal schedule of payments on existing debt. Total outstanding debt increased by \$2,418,188 for a line of credit that was issued for construction costs of a water tower. 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 2023-2024 fiscal year.

- The City’s assessed value increased by 10.04% during the current fiscal year after increasing by 8.51% in the prior year. According to the Supervisor of Assessments, growth will likely continue in the next couple of years. This growth should be reflected as increased assessed valuations in the coming years. The City’s share of state sales tax, which represents the largest portion of General Fund revenue, has begun to experience increases in recent years and that trend is expected to continue.
- The City was awarded a grant for the construction of an additional East/West runway in the amount of \$11,783,349 through the Department of Transportation in December 2021. The estimated total project cost is \$14,972,187.

Contacting the City’s Financial Management

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

BASIC FINANCIAL STATEMENTS

Statement of Net Position

April 30, 2023

(With Comparative Figures for April 30, 2022)

	Governmental Activities	Business-type Activities	Totals	
			2023	2022
<u>ASSETS</u>				
Cash and cash equivalents	\$ 19,007,468	7,369,607	26,377,075	25,586,178
Receivables:				
Property taxes	8,610,871	-	8,610,871	8,016,766
Sales and use taxes	1,410,836	-	1,410,836	1,372,903
Income and replacement taxes	419,822	-	419,822	532,585
Other taxes and fees	250,105	-	250,105	321,268
Customer fees (net of allowances)	-	181,447	181,447	106,552
Inventory	-	64,281	64,281	33,153
Internal balances	1,370,385	(1,370,385)	-	-
Notes receivable	36,000	-	36,000	-
Net pension asset	-	-	-	2,491,637
Capital assets, net of accumulated depreciation	27,268,922	41,393,989	68,662,911	64,919,139
Total assets	58,374,409	47,638,939	106,013,348	103,380,181
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charge on refunding	-	152,461	152,461	194,909
Pension-related deferred outflows	6,191,640	-	6,191,640	2,553,730
Asset retirement obligation	-	136,266	136,266	138,133
Total deferred outflows	6,191,640	288,727	6,480,367	2,886,772
<u>LIABILITIES</u>				
Accounts payable and accrued expenses	875,664	316,651	1,192,315	1,327,745
Noncurrent liabilities:				
Due within one year	405,579	3,061,870	3,467,449	942,157
Due in more than one year	6,416,658	1,720,992	8,137,650	8,660,726
Net OPEB liability	1,136,388	-	1,136,388	1,808,096
Net pension liability	10,730,405	-	10,730,405	8,369,991
Total liabilities	19,564,694	5,099,513	24,664,207	21,108,715
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Succeeding year property tax	8,610,871	-	8,610,871	8,016,766
Pension-related deferred inflows	3,856,054	-	3,856,054	5,464,661
Total deferred inflows	12,466,925	-	12,466,925	13,481,427
<u>NET POSITION</u>				
Net investment in capital assets	27,268,922	35,517,393	62,786,315	60,950,260
Restricted	11,784,387	134,293	11,918,680	12,130,161
Unrestricted	(6,518,879)	7,176,467	657,588	(1,403,610)
Total net position	\$ 32,534,430	42,828,153	75,362,583	71,676,811

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

Statement of Activities

Year Ended April 30, 2023

(With Comparative Figures for the Year Ended April 30, 2022)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
							2023	2022
Governmental activities:								
General government	\$ 6,191,808	176,056	1,076,042	31,016	(4,908,694)	-	(4,908,694)	(4,740,609)
Employee retirement costs	2,035,524	-	-	-	(2,035,524)	-	(2,035,524)	(1,797,619)
Public safety	4,636,983	211,841	722,124	-	(3,703,018)	-	(3,703,018)	(3,483,628)
Transportation and public works	5,012,998	892	149,778	-	(4,862,328)	-	(4,862,328)	(5,400,965)
Culture and recreation	1,054,939	98,790	95,219	6,000	(854,930)	-	(854,930)	(640,717)
Environment	113,157	-	-	-	(113,157)	-	(113,157)	(295,618)
Community development	3,324,181	57,150	706,666	-	(2,560,365)	-	(2,560,365)	(2,541,924)
Total governmental activities	22,369,590	544,729	2,749,829	37,016	(19,038,016)	-	(19,038,016)	(18,901,080)
Business-type activities:								
Water sewer	5,171,316	5,008,345	-	-	-	(162,971)	(162,971)	3,920,310
Airport operation	908,577	726,389	-	-	-	(182,188)	(182,188)	(403,964)
Garbage collection disposal	1,298,917	1,319,253	-	-	-	20,336	20,336	26,494
Total business-type activities	7,378,810	7,053,987	-	-	-	(324,823)	(324,823)	3,542,840
Total government	\$ 29,748,400	7,598,716	2,749,829	37,016	(19,038,016)	(324,823)	(19,362,839)	(15,358,240)
General revenues:								
Property taxes					8,089,226	-	8,089,226	7,606,445
Sales tax					10,022,653	-	10,022,653	8,898,514
Other taxes					466,595	-	466,595	447,046
Intergovernmental revenue					3,616,579	-	3,616,579	3,497,554
Franchise fees					232,011	-	232,011	234,739
Interest					249,717	59,194	308,911	17,783
Miscellaneous					312,636	-	312,636	217,925
Total general revenues					22,989,417	59,194	23,048,611	20,920,006
Change in net position					3,951,401	(265,629)	3,685,772	5,696,766
Net position, beginning of year					28,583,029	43,093,782	71,676,811	65,980,045
Net position, end of year					\$ 32,534,430	42,828,153	75,362,583	71,676,811

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

Balance Sheet - Governmental Funds
April 30, 2023
(With Comparative Figures for April 30, 2022)

	General	TIF I	Marina TIF	Non-major	Total Governmental Funds	
	Fund	Fund	Fund	Governmental Funds	2023	2022
<u>ASSETS</u>						
Cash and cash equivalents	\$ 7,194,624	4,735,020	1,936,234	5,163,417	19,029,295	15,975,443
Receivables:						
Property taxes	2,045,010	5,999,265	36,530	530,066	8,610,871	8,016,766
Sales and use taxes	1,410,836	-	-	-	1,410,836	1,372,903
Income and replacement taxes	419,822	-	-	-	419,822	532,585
Other taxes & fees	175,612	-	-	74,493	250,105	321,268
Due from other funds	1,370,385	-	-	-	1,370,385	1,370,385
Notes receivable	-	36,000	-	-	36,000	-
Total assets	<u>\$ 12,616,289</u>	<u>10,770,285</u>	<u>1,972,764</u>	<u>5,767,976</u>	<u>31,127,314</u>	<u>27,589,350</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>						
Liabilities:						
Overdraft payable	\$ -	-	-	21,827	21,827	-
Accounts payable	618,026	36,798	40,756	76,899	772,479	852,709
Accrued payroll	96,861	6,324	-	-	103,185	76,933
Accrued benefits	405,579	-	-	-	405,579	355,637
Total liabilities	<u>1,120,466</u>	<u>43,122</u>	<u>40,756</u>	<u>98,726</u>	<u>1,303,070</u>	<u>1,285,279</u>
Deferred inflows of resources:						
Succeeding year property tax	2,045,010	5,999,265	36,530	530,066	8,610,871	8,016,766
Total deferred inflows	<u>2,045,010</u>	<u>5,999,265</u>	<u>36,530</u>	<u>530,066</u>	<u>8,610,871</u>	<u>8,016,766</u>
Fund balances:						
Restricted	-	4,727,898	1,895,478	5,161,011	11,784,387	10,984,448
Unassigned	9,450,813	-	-	(21,827)	9,428,986	7,302,857
Total fund balances	<u>9,450,813</u>	<u>4,727,898</u>	<u>1,895,478</u>	<u>5,139,184</u>	<u>21,213,373</u>	<u>18,287,305</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,616,289</u>	<u>10,770,285</u>	<u>1,972,764</u>	<u>5,767,976</u>	<u>31,127,314</u>	<u>27,589,350</u>

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

Balance Sheet - Governmental Funds
April 30, 2023
(With Comparative Figures for April 30, 2022)

	<u>2023</u>	<u>2022</u>
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:		
Total governmental fund balances	\$ 21,213,373	18,287,305
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 \$77,210,296 and the accumulated depreciation is \$49,941,374.	27,268,922	27,308,269
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	6,191,640	2,553,730
Deferred inflows of resources - pensions	(3,856,054)	(5,464,661)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported as liabilities in the governmental funds.		
Landfill closure	(6,368,619)	(6,368,619)
Compensated absences	(48,039)	(46,545)
Net OPEB liability	(1,136,388)	(1,808,096)
Net pension liability / asset	<u>(10,730,405)</u>	<u>(5,878,354)</u>
Net position of governmental activities	<u>\$ 32,534,430</u>	<u>28,583,029</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, 2023

(With Comparative Figures for the Year Ended April 30, 2022)

	General	Tax Increment	Marina	Non-major	Total Governmental Funds	
	Fund	Financing Fund I	Tax Increment Financing Fund	Governmental Funds	2023	2022
Revenues:						
Property taxes	\$ 1,935,249	5,526,565	27,473	599,939	8,089,226	7,606,445
Sales and use taxes	10,022,653	-	-	-	10,022,653	8,898,514
Other taxes	-	-	-	466,595	466,595	447,046
Intergovernmental revenue	3,045,598	-	-	570,981	3,616,579	3,497,554
Licenses and permits	170,012	-	-	-	170,012	201,455
Franchise fees	232,011	-	-	-	232,011	234,739
Charges for services	156,832	-	-	-	156,832	139,069
Grants	722,124	-	-	1,174,019	1,896,143	1,323,796
Donations	-	-	-	95,219	95,219	74,851
Fines	181,722	-	-	36,163	217,885	190,840
Interest	52,229	95,646	25,291	76,551	249,717	11,765
Other	1,103,679	-	-	4,440	1,108,119	1,058,587
Total revenues	17,622,109	5,622,211	52,764	3,023,907	26,320,991	23,684,661
Expenditures:						
Current:						
General government	5,351,788	333,847	21,197	91,055	5,797,887	5,054,644
Employee retirement costs	1,349,129	-	-	686,395	2,035,524	1,999,398
Public safety	5,173,003	-	-	30,515	5,203,518	4,867,891
Transportation and public service	2,554,124	-	-	172,303	2,726,427	2,459,923
Culture and recreation	683,316	-	-	346,107	1,029,423	798,183
Environment	-	-	98,100	15,057	113,157	295,618
Community development	-	3,315,939	8,242	-	3,324,181	3,157,209
Capital outlay	369,091	834,257	3,095	1,958,363	3,164,806	3,787,132
Total expenditures	15,480,451	4,484,043	130,634	3,299,795	23,394,923	22,419,998
Excess (deficiency) of revenues over (under) expenditures	2,141,658	1,138,168	(77,870)	(275,888)	2,926,068	1,264,663
Other financing sources (uses):						
Transfers in (out)	6,298	(300,000)	300,000	(6,298)	-	(100,000)
Changes in fund balances	2,147,956	838,168	222,130	(282,186)	2,926,068	1,164,663
Fund balances, beginning of year	7,302,857	3,889,730	1,673,348	5,421,370	18,287,305	17,122,642
Fund balances, end of year	\$ 9,450,813	4,727,898	1,895,478	5,139,184	21,213,373	18,287,305

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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023	2022
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities		
Net change in fund balances - total governmental funds	\$ 2,926,068	1,164,663
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	1,490,644	750,459
Depreciation expense	(1,529,991)	(2,072,910)
Repayment of notes receivable principal is revenue in the governmental funds, but reduces the notes receivable in the statement of net position.	-	(1,047)
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	1,349,129	1,460,341
City OPEB contributions	88,565	89,248
Cost of pension benefits incurred net of employee contributions	(954,663)	421,426
Cost of OPEB benefits incurred net of employee contributions	583,143	229,005
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds as follows:		
Compensated absences	(1,494)	6,713
Change in net position of governmental activities	<u>\$ 3,951,401</u>	<u>2,047,898</u>

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

Statement of Net Position - Proprietary Funds
April 30, 2023
(With Comparative Figures for April 30, 2022)

	Enterprise Funds			Total	
	Water and Sewer Fund	Airport Fund	Garbage Fund	2023	2022
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 7,036,138	51,849	281,620	7,369,607	9,610,735
Accounts receivable, net	135,915	10,077	35,455	181,447	106,552
Inventory	-	64,281	-	64,281	33,153
Total current assets	7,172,053	126,207	317,075	7,615,335	9,750,440
Noncurrent assets:					
Land	613,374	4,933,421	-	5,546,795	5,546,795
Other capital assets, net of depreciation	34,196,216	1,650,978	-	35,847,194	32,064,074
Total noncurrent assets	34,809,590	6,584,399	-	41,393,989	37,610,869
Total assets	41,981,643	6,710,606	317,075	49,009,324	47,361,309
DEFERRED OUTFLOWS OF RESOURCES					
Asset retirement obligation	136,266	-	-	136,266	138,133
Deferred charge on refunding	152,461	-	-	152,461	194,909
	288,727	-	-	288,727	333,042
LIABILITIES					
Current liabilities:					
Accounts payable & accrued expenses	301,690	14,961	-	316,651	398,103
Compensated absences	89,293	32,975	-	122,268	83,284
Due to other funds	-	1,370,385	-	1,370,385	1,370,385
Line of credit payable	2,418,188	-	-	2,418,188	-
Lease payable	-	20,043	-	20,043	18,236
Revenue bonds payable	501,371	-	-	501,371	485,000
Total current liabilities	3,310,542	1,438,364	-	4,748,906	2,355,008
Non-current liabilities:					
Compensated absences	12,178	2,205	-	14,383	10,304
Lease payable	-	5,161	-	5,161	26,086
Asset retirement obligation	140,000	-	-	140,000	140,000
Revenue bonds payable	1,561,448	-	-	1,561,448	2,069,172
Total non-current liabilities	1,713,626	7,366	-	1,720,992	2,245,562
Total liabilities	5,024,168	1,445,730	-	6,469,898	4,600,570
NET POSITION					
Net investment in capital assets	30,328,583	5,188,810	-	35,517,393	33,641,990
Restricted	134,293	-	-	134,293	1,145,713
Unrestricted	6,783,326	76,066	317,075	7,176,467	8,306,078
Total net position	\$ 37,246,202	5,264,876	317,075	42,828,153	43,093,781

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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	Enterprise Funds			Total	
	Water and Sewer Fund	Airport Fund	Garbage Fund	2023	2022
Operating revenues:					
Water and sewer sales	\$ 4,871,654	-	-	4,871,654	5,658,767
Infrastructure fees	5,692	-	-	5,692	1,159,710
Garbage collection fees	-	-	1,319,253	1,319,253	1,295,910
Tap on fees/meters	70,496	-	-	70,496	56,253
Facilities rental	6,387	295,762	-	302,149	254,301
Fuel sales	-	430,627	-	430,627	299,416
Miscellaneous revenue	54,116	-	-	54,116	102,465
Total operating revenues	5,008,345	726,389	1,319,253	7,053,987	8,826,822
Operating expenses:					
Personal services	1,613,949	256,142	-	1,870,091	1,791,691
Contractual services	1,143,515	183,747	1,296,407	2,623,669	2,519,513
Commodities	682,192	344,665	-	1,026,857	713,691
Capital outlay/maintenance	695,676	11,186	-	706,862	913,061
Depreciation and amortization	865,066	103,852	-	968,918	1,202,274
Other expenses	84,931	7,217	2,510	94,658	98,348
Total operating expenses	5,085,329	906,809	1,298,917	7,291,055	7,238,578
Operating income (loss)	(76,984)	(180,420)	20,336	(237,068)	1,588,244
Non-operating revenues (expenses):					
Bank service fees	(351)	-	-	(351)	(350)
State and federal grants	-	-	-	-	69,996
Capital contributed	-	-	-	-	1,982,874
Interest income	55,553	1,132	2,509	59,194	6,018
Interest expense	(85,636)	(1,768)	-	(87,404)	(97,924)
Total non-operating revenues (expenses)	(30,434)	(636)	2,509	(28,561)	1,960,614
Income (loss) before transfers	(107,418)	(181,056)	22,845	(265,629)	3,548,858
Transfers in (out)	-	-	-	-	100,000
Change in net position	(107,418)	(181,056)	22,845	(265,629)	3,648,858
Net position, beginning of year	37,353,620	5,445,932	294,230	43,093,782	39,444,924
Net position, end of year	\$ 37,246,202	5,264,876	317,075	42,828,153	43,093,782

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

Statement of Cash Flows - Proprietary Funds
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	Enterprise Funds				
	Water and Sewer Fund	Airport Fund	Garbage Fund	Total 2023	2022
Cash flows from operating activities:					
Receipts from customers	\$ 4,882,196	723,078	1,325,191	6,930,465	8,769,354
Other operation receipts	60,503	-	-	60,503	107,599
Payments to suppliers	(2,545,994)	(609,361)	(1,405,202)	(4,560,557)	(4,091,271)
Payments to employees	(1,598,344)	(229,789)	-	(1,828,133)	(1,789,787)
Net cash provided by (used in) operating activities	798,361	(116,072)	(80,011)	602,278	2,995,895
Cash flows from noncapital financing activities:					
Internal advances	-	-	-	-	100,000
Cash flows from capital and related financing activities:					
Line of credit proceeds	2,418,188	-	-	2,418,188	-
Capital assets acquired	(4,750,170)	(17,131)	(11,876)	(4,779,177)	(3,029,180)
Principal & interest on capital leases	-	(2,650)	-	(2,650)	(20,886)
Principal & interest on alternate revenue bonds	(538,961)	-	-	(538,961)	(538,460)
Grant receipts	-	-	-	-	69,996
Net cash provided by (used in) capital financing activities	(2,870,943)	(19,781)	(11,876)	(2,902,600)	(3,518,530)
Cash flows from investing activities:					
Interest received	55,553	1,132	2,509	59,194	6,018
Net change in cash and cash equivalents	(2,017,029)	(134,721)	(89,378)	(2,241,128)	(416,617)
Cash and cash equivalents, beginning of year	9,053,167	186,570	370,998	9,610,735	10,027,352
Cash and cash equivalents, end of year	\$ 7,036,138	51,849	281,620	7,369,607	9,610,735
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (76,984)	(180,420)	20,336	(237,068)	1,588,244
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	865,066	103,852	-	968,918	1,202,274
Effects of changes in operating assets and liabilities:					
(Increase) decrease in accounts receivable	(65,646)	(3,311)	5,938	(63,019)	50,131
(Increase) decrease in inventory	-	(31,128)	-	(31,128)	4,265
Increase (decrease) in accounts payable	60,320	(31,418)	(106,285)	(77,383)	149,077
Increase in compensated absences	15,605	26,353	-	41,958	1,904
Net cash provided by (used in) operating activities	\$ 798,361	(116,072)	(80,011)	602,278	2,995,895

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

Statement of Fiduciary Net Position
April 30, 2023
(With Comparative Figures for April 30, 2022)

	Police Pension Trust Fund	Custodial Fund	Totals	
			2023	2022
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,345,557	151,679	1,497,236	1,496,533
Investments:				
U.S. treasury securities	-	-	-	4,390,508
Corporate bonds	-	-	-	250,202
Common stock	-	-	-	11,394,848
Mutual funds	2,185,455	-	2,185,455	3,386,871
Pooled investments	17,653,073	-	17,653,073	-
Prepaid expenses	1,600	-	1,600	-
Accrued interest	-	-	-	28,312
Total assets	<u>21,185,685</u>	<u>151,679</u>	<u>21,337,364</u>	<u>20,947,274</u>
<u>LIABILITIES</u>				
Accounts payable	2,870	-	2,870	117,354
Payable to others	-	151,679	151,679	216,481
Total liabilities	<u>2,870</u>	<u>151,679</u>	<u>154,549</u>	<u>333,835</u>
<u>NET POSITION</u>				
Held in trust for pension benefits	<u>\$ 21,182,815</u>	<u>-</u>	<u>21,182,815</u>	<u>20,613,439</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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	Police Pension Trust Fund	
	2023	2022
Additions:		
Contributions:		
Employer contributions	\$ 1,349,129	1,304,327
Plan member contributions	239,791	256,132
Total contributions	1,588,920	1,560,459
Net investment income:		
Net change in fair value of investments	332,777	(244,434)
Investment income	350,496	259,093
Total investment income	683,273	14,659
Less: Investment expense	(47,391)	(64,348)
Net investment income	635,882	(49,689)
Total additions	2,224,802	1,510,770
Deductions:		
Administrative	38,877	18,316
Benefit payments, including member refunds	1,616,549	1,415,343
Total deductions	1,655,426	1,433,659
Changes in net position	569,376	77,111
Net position, beginning of year	20,613,439	20,536,328
Net position, end of year	\$ 21,182,815	20,613,439

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, 2023

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, 2023**

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 Activities</u>	<u>Business-type Activities</u>	<u>Total Government</u>
Capital Assets, net of accumulated depreciation	\$ 27,268,922	41,393,989	68,662,911
Less:			
Loan from General Fund	-	(1,370,385)	(1,370,385)
Leases payable	-	(25,204)	(25,204)
Line of credit payable	-	(2,418,188)	(2,418,188)
Revenue bonds payable	-	(2,062,819)	(2,062,819)
Net investment in capital assets	<u>\$ 27,268,922</u>	<u>35,517,393</u>	<u>62,786,315</u>

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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

B. Basis of Presentation – (Continued)

Fund Financial Statements

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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, 2023

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, 2023

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, 2023

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 2021 property tax levy (\$2,415,511) are used to finance the operating budget of the fiscal year ending April 30, 2023. Although the 2022 property tax levy receivable has been recorded, the related revenue (\$2,637,788) is deferred in both the government-wide and fund financial statements. Recognition of revenue is deferred until the year it is intended to finance.

Customer Accounts Receivable and Unbilled Usage

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

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

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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, 2023, 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 (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, 2023

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 \$590,267 as of April 30, 2023. See Note 6 for further information.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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, 2023

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, 2023

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

During the year ended April 30, 2023, the City implemented GASB 87 – Leases, which established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

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 \$26,377,075, including petty cash, and excluding fiduciary fund balances, and bank balances totaled \$27,426,861. \$2,750,000 of the bank balance was covered by federal depository insurance. One bank account contained unsecured deposits in the amount of \$63,941 at April 30, 2023. However, subsequent to year end, these unsecured deposits were collateralized. Deposits in remaining bank accounts were fully collateralized at year end. Deposits at April 30, 2023, are as follows:

	Bank Balance	Carrying Amount
Bank demand deposits/NOW accounts	\$ 27,426,861	26,375,695
Petty cash on hand	-	1,380
Total cash and cash equivalents - City	<u>\$ 27,426,861</u>	<u>26,377,075</u>
Fiduciary Funds	<u>\$ 1,497,236</u>	<u>1,497,236</u>
Total cash and cash equivalents	<u>\$ 28,924,097</u>	<u>27,874,311</u>

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2023**

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, 2023, the Police Pension Trust Fund had the following investments in money markets and pooled investments held by the Illinois Police Officers' Pension Investment Fund (IPOPIF), which were the only investments subject to interest rate risk:

	Fair Value	Remaining Maturity			
		Less than One Year	1-5 Years	6-10 Years	11-15 Years
Money Market	\$ 2,185,455	2,185,455	-	-	-
Pooled Investments	17,653,073	17,653,073	-	-	-
Total Fixed Income Securities	<u>\$ 19,838,528</u>	<u>19,838,528</u>	<u>-</u>	<u>-</u>	<u>-</u>

Concentration of Credit Risk

Police Pension Fund is invested in IPOPIF pooled investment and money market funds. 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, 2023**

NOTE 3: FAIR VALUE MEASUREMENTS

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

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

	Balance at April 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market	\$ 2,185,455	2,185,455	-	-
Pooled Investments	17,653,073	17,653,073	-	-
Total investments	<u>\$ 19,838,528</u>	<u>19,838,528</u>	<u>-</u>	<u>-</u>

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, 2023**

NOTE 5: CHANGES IN CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended April 30, 2023 was as follows:

	Balance as of April 30, 2022	Additions	Deletions	Balance as of April 30, 2023
Capital assets not being depreciated:				
Land	\$ 6,528,556	-	-	6,528,556
Construction in progress	-	1,182,412	-	1,182,412
Total capital assets not being depreciated	<u>6,528,556</u>	<u>1,182,412</u>	<u>-</u>	<u>7,710,968</u>
Capital assets being depreciated:				
Land improvements	3,157,110	271,200	-	3,428,310
Buildings & Improvements	11,109,077	-	-	11,109,077
Machinery & equipment	2,556,010	-	-	2,556,010
Vehicles	2,894,004	37,032	-	2,931,036
Infrastructure	49,474,895	-	-	49,474,895
Total capital assets being depreciated	<u>69,191,096</u>	<u>308,232</u>	<u>-</u>	<u>69,499,328</u>
Total capital assets	<u>75,719,652</u>	<u>1,490,644</u>	<u>-</u>	<u>77,210,296</u>
Less accumulated depreciation:				
Land improvements	1,555,960	108,171	-	1,664,131
Buildings & improvements	2,917,409	224,780	-	3,142,189
Machinery & equipment	1,310,427	135,211	-	1,445,638
Vehicles	2,017,225	237,413	-	2,254,638
Infrastructure	40,610,362	824,416	-	41,434,778
Total accumulated depreciation:	<u>48,411,383</u>	<u>1,529,991</u>	<u>-</u>	<u>49,941,374</u>
Total capital assets being depreciated, net	<u>20,779,713</u>	<u>(1,221,759)</u>	<u>-</u>	<u>19,557,954</u>
Governmental activities capital assets, net	<u>\$ 27,308,269</u>	<u>(39,347)</u>	<u>-</u>	<u>27,268,922</u>

Depreciation for governmental activities in the current fiscal year was \$1,529,991 and was allocated as follows:

General Government	\$ 165,608
Public Safety	77,668
Transportation & Public Service	1,189,018
Culture & Recreation	97,697
Total Depreciation - Governmental Activities	<u>\$ 1,529,991</u>

Significant capital additions for the year included the Airport Road Improvement Project (\$1,182,412), Street Improvements (\$271,200), and a 2022 Ford Explorer Squad Car (\$37,032).

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2023**

NOTE 5: CHANGES IN CAPITAL ASSETS – (CONTINUED)

Capital asset activity for business-type activities for the year ended April 30, 2023 was as follows:

	Balance as of April 30, 2022	Additions	Deletions	Balance as of April 30, 2023
Capital assets not being depreciated:				
Land	\$ 5,546,795	-	-	5,546,795
Construction in progress	2,296,400	4,580,994	2,296,400	4,580,994
Total capital assets not being depreciated	<u>7,843,195</u>	<u>4,580,994</u>	<u>2,296,400</u>	<u>10,127,789</u>
Depreciable capital assets:				
Land improvements	58,345	-	-	58,345
Buildings & improvements	2,373,946	-	-	2,373,946
Machinery & equipment	981,511	359,479	-	1,340,990
Vehicles	541,749	27,500	-	569,249
Infrastructure	57,533,996	2,078,598	-	59,612,594
Total depreciable capital assets:	<u>61,489,547</u>	<u>2,465,577</u>	<u>-</u>	<u>63,955,124</u>
Total capital assets	<u>69,332,742</u>	<u>7,046,571</u>	<u>2,296,400</u>	<u>74,082,913</u>
Less accumulated depreciation:				
Land improvements	51,052	2,917	-	53,969
Buildings & improvements	910,037	49,987	-	960,024
Machinery & equipment	449,167	78,024	-	527,191
Vehicles	398,918	31,357	-	430,275
Infrastructure	29,912,699	804,766	-	30,717,465
Total accumulated depreciation	<u>31,721,873</u>	<u>967,051</u>	<u>-</u>	<u>32,688,924</u>
Total capital assets being depreciated, net	<u>29,767,674</u>	<u>1,498,526</u>	<u>-</u>	<u>31,266,200</u>
Business-type activities capital assets, net	<u>\$ 37,610,869</u>	<u>6,079,520</u>	<u>2,296,400</u>	<u>41,393,989</u>

Depreciation expense for business-type activities in the current fiscal year was \$967,051 and was charged as follows:

Water & Sewer	\$ 863,200
Airport	<u>103,851</u>
Total Depreciation - Business-Type Activities	<u>\$ 967,051</u>

Significant capital additions for the year included a Logger Correlation System (\$8,280), 2 Barnes Chopper Pumps (\$107,877), the Hatcher Wood Lift Station (\$227,517), a Water Pump Electric Start (\$15,805), a 2022 Chevy Silverado (\$27,500), and the Route 47 Sanitary Project (\$2,078,516).

Construction in Process at April 30, 2023 consists of a New Water Tower and the Route 6 Sanitary Water Project.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2023**

NOTE 6: LONG-TERM LIABILITIES

Long-term liability activity for the year ended April 30, 2023, was as follows:

	Balance at April 30, 2022	Additions	Deductions	Balance at April 30, 2023	Due Within One Year
Governmental Activities:					
Landfill Closure (Note 12)	\$ 6,368,619	-	-	6,368,619	-
Compensated Absences (Note 1)	409,902	510,356	466,640	453,618	405,579
Total OPEB Liability (Note 10)	1,808,096	-	671,708	1,136,388	-
Net Pension Liability (Note 9)	8,369,991	5,358,190	2,997,776	10,730,405	-
Total Governmental Activities	\$ 16,956,608	5,868,546	4,136,124	18,689,030	405,579
Business-type Activities:					
General Obligation Waterworks and Sewerage Refunding Bonds					
(Alt. Rev Source) Series 2012	\$ 2,525,000	-	485,000	2,040,000	495,000
Bond Premium/(Discount), Net	29,172	-	6,351	22,821	6,371
Line of Credit	-	2,418,188	-	2,418,188	2,418,188
Asset retirement obligation	140,000	-	-	140,000	-
Leases - Right to Use	44,322	-	19,118	25,204	20,043
Compensated Absences (Note 1)	93,588	154,892	111,831	136,649	122,268
Total Business-type activities	\$ 2,832,082	2,573,080	622,300	4,782,862	3,061,870

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 \$51,309 on long-term debt has been directly charged to business-type activities as follows: Water and Sewer Fund - \$49,541 and Airport Fund - \$1,768.

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.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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

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

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

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

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

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total P&I</u>
2024	\$ 495,000	43,910	538,910
2025	505,000	34,010	539,010
2026	515,000	23,405	538,405
2027	525,000	12,075	537,075
	<u>\$ 2,040,000</u>	<u>113,400</u>	<u>2,153,400</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, 2023, the City has drawn \$2,418,188. The line of credit is due on August 17, 2023.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2023**

NOTE 6: LONG-TERM LIABILITIES – (CONTINUED)

Asset Retirement Obligation

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

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 has a current balance of \$25,204 and will be paid out of the Airport Fund.

The lease agreement is summarized as follows:

<u>Description</u>	<u>Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Total Lease Liability</u>	<u>Balance April 30, 2023</u>
Grundy Bank	7/10/2019	5 years	\$ 5,222	4.75%	\$ 92,471	\$ 25,204

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, 2023:

Assessed valuation (2022) - Including TIF Districts		<u>\$ 494,982,676</u>
Statutory debt limitation (8.625%)		\$ 42,692,256
Debt applicable to limitation:		
General Obligation Refunding Bonds (ARS), Series 2012	\$ 2,040,000	
Line of Credit	2,418,188	
Airport Hangar Capital Lease Commitment, dated July 10, 2014	25,204	
Total applicable debt	<u>4,483,392</u>	
Less amounts not included in the debt limitation:		
Self-supporting bonded debt	(2,040,000)	
Line of Credit	(2,418,188)	
Capital lease	<u>(25,204)</u>	
Total debt applicable to the debt limitation	<u>(4,483,392)</u>	
Legal debt margin		<u>\$ 42,692,256</u>

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2023**

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	\$ 2,484,081	(1,821,596)	9,421,622	892,239
IMRF	3,707,559	(2,034,458)	1,308,783	376,666
Totals	<u>\$ 6,191,640</u>	<u>(3,856,054)</u>	<u>10,730,405</u>	<u>1,268,905</u>

Illinois Municipal Retirement Fund

Plan Description

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

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.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Benefits Provided - Continued

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, 2022, the City's plan membership consisted of the following:

Retirees and beneficiaries	60
Inactive, non-retired members	19
Active members	<u>52</u>
Total	<u><u>131</u></u>

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 2022 and the fiscal year ended April 30, 2023 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 - 2022	8.55%
City contribution rate - 2023	6.96%
City contributions - 2022	\$ 326,620
City contributions - fiscal year 2023	\$ 312,494

NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of December 31, 2022. 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, 2022:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% 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.
- 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, 2022.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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

Illinois Municipal Retirement Fund – (Continued)

Actuarial Assumptions – (Continued)

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	35.5%	6.50%
International Equity	18%	7.60%
Fixed Income	25.5%	4.90%
Real Estate	10.5%	6.20%
Alternative Investments	9.5%	6.25-9.90%
Cash Equivalents	<u>1%</u>	4.00%
Total	<u>100%</u>	

Single Discount Rate

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

The single discount rate reflects:

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

For purposes of the December 31, 2022 valuations, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.05%, and the resulting single discount rate is 7.25%.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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

Illinois Municipal Retirement Fund – (Continued)

Changes in Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2021	\$ 21,199,752	23,691,389	(2,491,637)
Changes for the year:			
Service Cost	345,568	-	345,568
Interest on the Total Pension Liability	1,519,372	-	1,519,372
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(255,233)	-	(255,233)
Changes of Assumptions	-	-	-
Contributions - Employer	-	326,620	(326,620)
Contributions - Employees	-	177,170	(177,170)
Net Investment Income	-	(2,662,766)	2,662,766
Benefit Payments, including Refunds of Employee Contributions	(831,373)	(831,373)	-
Other (Net Transfer)	-	(31,737)	31,737
Net Changes	778,334	(3,022,086)	3,800,420
Balances at December 31, 2022	\$ 21,978,086	20,669,303	1,308,783

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total Pension Liability	\$ 24,374,894	21,978,086	20,077,786
Plan Fiduciary Net Position	20,669,303	20,669,303	20,669,303
Net Pension Liability (Asset)	\$ 3,705,591	1,308,783	(591,517)

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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, 2023, the City recognized pension expense of \$376,666. At April 30, 2023, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 123,335	178,784
Changes in assumptions	-	3,022
Net difference between projected and actual earnings on pension plan investments	<u>3,493,893</u>	<u>1,852,652</u>
Total deferred amounts to be recognized in future pension expense	3,617,228	2,034,458
Contributions subsequent to the measurement date	<u>90,331</u>	-
Total	<u>\$ 3,707,559</u>	<u>2,034,458</u>

\$90,331 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, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Calendar Year Ending December 31,	Net Deferred Outflows of Resources
2023	\$ (10,529)
2024	232,614
2025	487,211
2026	873,474
2027	-
Thereafter	-
	<u>\$ 1,582,770</u>

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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, 2023, the City’s plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	23
Inactive Plan Members Entitled To but Not Yet Receiving Benefits	4
Active Plan Members	<u>27</u>
Total	<u><u>54</u></u>

Benefits Provided

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% 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, 2023, the City contribution was \$1,349,129.

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.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of May 1, 2022.

The components of the net pension liability of the Plan at April 30, 2023, were as follows:

Total Pension Liability	\$ 30,604,437
Plan Fiduciary Net Position	<u>21,182,815</u>
Net Pension Liability	<u>\$ 9,421,622</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of May 1, 2022, updated to April 30, 2023, 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 3.21% to 3.53%
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.25 – 11.51%.
- The Investment Rate of Return was assumed to be 7.00%.
- Retirement Rates are based on Lauterbach & Amen 2020 Illinois police retirement rates capped at age 65.
- Disability and termination rates were based on Lauterbach & Amen 2020 Illinois police rates.
- Marital status assumption – 80% married.
- Active mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvements uses MP-2019 Improvement Rates applied on a fully generational basis. 50% of active member deaths are assumed to be in the Line of Duty.
- Retiree mortality follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.
- Disabled mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2019 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-2019 Improvement Rates applied on a fully generational basis.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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 March 4, 2022, for plan funding purposes. The table below illustrates the best estimate of Long-Term Expected Rates of Return developed for each of the major asset classes, adjusted for expected inflation, as disclosed in the Horizon Actuarial Services Survey of Capital Market Assumptions 2021 Edition, dated August 2021. The rates provided in the table below are based on a geometric average.

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectation	Long-Term Expected Real Rate of Return	Target Allocation
US Large	6.65%	2.50%	4.15%	23.00%
US Small	7.04%	2.50%	4.54%	5.00%
International Developed	7.14%	2.50%	4.64%	18.00%
International Developed Small	2.25%	2.50%	-0.25%	5.00%
Emerging Markets	7.81%	2.50%	5.31%	7.00%
Private Equity (Direct)	9.65%	2.50%	7.15%	7.00%
Bank Loans	4.98%	2.50%	2.48%	3.00%
High Yield Corp. Credit	4.98%	2.50%	2.48%	3.00%
Emerging Market Debt	5.32%	2.50%	2.82%	3.00%
Private Credit	6.87%	2.50%	4.37%	5.00%
US TIPS	2.38%	2.50%	-0.12%	3.00%
Real Estate/Infrastructure	6.50%	2.50%	4.00%	8.00%
Cash	2.23%	2.50%	-0.27%	1.00%
Short-Term Gov’t/Credit	3.23%	2.50%	0.73%	3.00%
US Treasury	1.90%	2.50%	-0.60%	3.00%
Core Plus Fixed Income	3.23%	2.50%	0.73%	3.00%

For the year ended April 30, 2023, 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 3.21% to 3.53% 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, 2023

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 Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2022	\$ 28,983,430	20,613,439	8,369,991
Changes for the year:			
Service Cost	547,859	-	547,859
Interest on the Total Pension Liability	2,012,683	-	2,012,683
Differences Between Expected and Actual Experience of the Total Pension Liability	690,965	-	690,965
Changes of Assumptions	-	-	-
Change of Benefit Terms	(13,951)	-	(13,951)
Contributions - Employer	-	1,349,129	(1,349,129)
Contributions - Employees	-	239,791	(239,791)
Net Investment Income	-	635,882	(635,882)
Benefit Payments, including Refunds of Employee Contributions	(1,616,549)	(1,616,549)	-
Other	-	(38,877)	38,877
Net Changes	<u>1,621,007</u>	<u>569,376</u>	<u>1,051,631</u>
Balances at April 30, 2023	<u>\$ 30,604,437</u>	<u>21,182,815</u>	<u>9,421,622</u>

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability/(Asset)	\$ 13,755,504	9,421,622	5,882,595

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

For the year ended April 30, 2022, the City recognized pension expense of \$892,239. At April 30, 2023, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 792,306	708,919
Changes in assumptions	-	137,787
Net difference between projected and actual earnings on pension plan investments	1,691,775	974,890
Total	<u>\$ 2,484,081</u>	<u>1,821,596</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:

Year Ending April 30,	Net Deferred Outflows of Resources
2024	\$ 49,916
2025	(36,115)
2026	440,048
2027	128,985
2028	15,890
Thereafter	63,761
	<u>\$ 662,485</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, 2023

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

Membership

As of April 30, 2023, the following employees were covered by the benefit terms:

Active employees	75
Inactive employees entitled to but not yet receiving benefits	0
Inactive employees currently receiving benefits	<u>5</u>
Total	<u><u>80</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 2023, \$27,757 are explicit benefit payments due to the PSEBA pensioners and \$60,808 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, 2023, the City had a net OPEB liability for the plan, determined as follows:

Total OPEB Liability	\$ 1,136,388
Plan Fiduciary Net Position	<u>-</u>
Net OPEB Liability	<u><u>\$ 1,136,388</u></u>

The net OPEB liability was measured as of April 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of May 1, 2023, using 2023 data.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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

Changes in the Net OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at May 1, 2022	\$ 1,808,096	-	1,808,096
Changes for the year:			
Service Cost	31,192	-	31,192
Interest	56,619	-	56,619
Differences in Actuarial Experience	(653,185)	-	(653,185)
Changes of Assumptions	(17,769)	-	(17,769)
Contributions - Employer	-	88,565	(88,565)
Contributions - Employees	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(88,565)	(88,565)	-
Administrative expense	-	-	-
Net Changes	<u>(671,708)</u>	<u>-</u>	<u>(671,708)</u>
Balances at April 30, 2023	<u>\$ 1,136,388</u>	<u>-</u>	<u>1,136,388</u>

Actuarial Assumptions

The following are the methods and assumptions used to determine total OPEB liability at April 30, 2023:

- The Actuarial Cost Method used was Entry Age Normal (Level %)
- Discount rate used for the Total OPEB Liability:
 - Beginning of year – 3.21%
 - End of year – 3.53%
- High Quality 20 Year Tax-Exempt GO Bond Rate:
 - Beginning of year – 3.21%
 - End of year – 3.53%
- Payroll increases – 2.75%
- Healthcare Cost Trend Rates – The initial trend rate is based on the 2023 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, 2023

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, 2023 was 3.53%.

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

Sensitivity of Net OPEB Liability to the Single Discount Rate

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

	1% Decrease (2.53%)	Current Discount Rate (3.53%)	1% Increase (4.53%)
Net OPEB Liability/(Asset)	\$ 1,258,753	1,136,388	1,032,496

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, 2023

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 (Varies)	Current Trend Rate (Varies)	1% Increase (Varies)
Net OPEB Liability/(Asset)	<u>\$ 1,012,751</u>	<u>1,136,388</u>	<u>1,287,442</u>

Current healthcare cost trend rates are as follows:

- Medical trend rates for retirees under 65 decrease from 7.40% to 5.00%.
- Dental trend rates remain flat at 4.00%
- 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, 2023, the City recognized OPEB benefit of \$(583,143).

At April 30, 2023, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

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

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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 Ending April 30,	Deferred Outflows	Deferred Inflows
2024	\$ -	-
2025	-	-
2026	-	-
2027	-	-
2028	-	-
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, 2023:

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

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

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2023

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

Operating Transfers

During the year ended April 30, 2023, \$300,000 was transferred from the TIF I Fund to the Marina TIF Fund to cover expenditures, and \$6,298 was transferred from the Drug Fine and Forfeiture Fund to the General Fund for fee remittance. There were also transfers between Water and Sewer sub-funds in the amount \$548,583 for the debt payment and capital outlay.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 6,298	-
TIF Fund I	-	300,000
Marina TIF Fund	300,000	-
Drug Fine and Forfeiture Fund	-	6,298
Total	<u>\$ 306,298</u>	<u>306,298</u>

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

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

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2023**

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, 2023

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 \$3,447 for the 2021 levy year and \$4,277 for the 2022 levy year.
- By the authority of 35 ILCS 200/18-165, Section 10 of Article VII of the Constitution of the State of Illinois of 1970 and 5 ILCS 220/1 et seq., the City enters into agreements with property owners to abate a portion of the City portion of property taxes on selected property that is the subject of an approved abatement over a period of 4 years. Once the abatement is filed and the property developed, the property taxes are abated by the County Clerk before the issuance of the property tax bill as follows: year 1 – 75%, year 2 – 50%, year 3 – 25%, year 4 – 0%. In exchange for the abatement of property taxes, the City benefits from the additional tax base provided by the annexation, as well as the inclusion of areas for future growth and development. In the 2021 levy year, property taxes abated and subject to reimbursement under this program were \$217,565. In the 2022 levy year, property taxes abated and subject to reimbursement under this program were \$0.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2023**

NOTE 15: TAX ABATEMENTS – (CONTINUED)

- By the authority of 65 ILCS 5/8-11-20, the City enters into economic incentive agreements. Under these agreements, the City, at its discretion, agrees to rebate a percentage of the local portion of any retailers' occupation taxes received that is generated over a finite period of time. Once the agreement is in place and after receipt of the taxes from the State and appropriate documentation/verification procedures, the City rebates the appropriate amounts to the interested party. In exchange for the rebate of retailers' occupation taxes, the City benefits from the creation or retainage of jobs, creation or further development, strengthening of the commercial sector, and enhancement of the tax base. Retailers' occupation taxes subject to reimbursement for the fiscal year ended April 30, 2023 totaled \$3,048,492, and reimbursements of \$2,629,843 were made during the fiscal year.

NOTE 16: RESTRICTED NET POSITION

Restricted net position balances reported on the government-wide statement of net position at April 30, 2023 includes the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Restricted for:			
Transportation/public works	\$ 5,544,276	-	5,544,276
Community development	2,775,287	-	2,775,287
Health & sanitation	222,131	-	222,131
Culture & recreation	575,569	-	575,569
Employee retirement costs	444,060	-	444,060
General government	2,097,515	-	2,097,515
Law enforcement	125,549	-	125,549
Debt Service	-	134,293	134,293
Total restricted	<u>\$ 11,784,387</u>	<u>134,293</u>	<u>11,918,680</u>

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

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2023**

NOTE 17: FUND BALANCES

Governmental fund balances reported on the fund financial statements at April 30, 2023 includes the following:

	General Fund	Tax Increment Financing Fund I	Marina Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
Restricted for:					
Transportation/public works	\$ -	1,802,611	1,895,478	1,846,187	5,544,276
Community development	-	2,775,287	-	-	2,775,287
Health & sanitation	-	-	-	222,131	222,131
American Rescue Plan Act	-	-	-	2,097,515	2,097,515
Culture & recreation	-	150,000	-	425,569	575,569
Employee retirement costs	-	-	-	444,060	444,060
Law enforcement	-	-	-	125,549	125,549
Total restricted	-	4,727,898	1,895,478	5,161,011	11,784,387
Unassigned	9,450,813	-	-	(21,827)	9,428,986
Total fund balances	\$ 9,450,813	4,727,898	1,895,478	5,139,184	21,213,373

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

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, 2023, the amount of the note receivable is \$36,000.

NOTE 19: SUBSEQUENT EVENTS

Management evaluated subsequent events through November 20, 2023, 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, 2023 as a result of events occurring between May 1, 2023 and November 20, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Taxes:					
Property tax					
General corporate	\$ 385,642	385,642	393,016	7,374	273,965
TIF reimbursement	120,000	120,000	118,837	(1,163)	111,584
Police protection	71,062	71,062	71,892	830	70,745
Police pension	1,349,129	1,349,129	1,293,285	(55,844)	1,230,195
Township road & bridge	60,000	60,000	58,219	(1,781)	57,168
Municipal sales tax:					
Municipal sales tax	6,400,000	6,400,000	6,655,101	255,101	6,248,224
Reimbursable sales tax	1,800,000	1,800,000	2,818,242	1,018,242	2,087,678
Local use tax	500,000	500,000	549,310	49,310	562,612
Total taxes	10,685,833	10,685,833	11,957,902	1,272,069	10,642,171
Intergovernmental:					
State income tax	2,000,000	2,000,000	2,179,564	179,564	2,215,275
Replacement tax	130,000	130,000	455,890	325,890	386,134
Video gaming tax	395,000	395,000	410,144	15,144	373,540
Federal and state grants	27,000	27,000	722,124	695,124	11,345
Total intergovernmental	2,552,000	2,552,000	3,767,722	1,215,722	2,986,294
Licenses and permits:					
Contractor licenses	36,000	36,000	36,400	400	40,800
Liquor licenses	53,655	53,655	58,710	5,055	49,465
Other licenses	33,904	33,904	39,049	5,145	27,004
Building permits	107,276	107,276	35,853	(71,423)	83,586
Demolition permits	500	500	-	(500)	600
Total licenses and permits	231,335	231,335	170,012	(61,323)	201,455
Franchise fees:					
Cable TV franchise fees	230,000	230,000	222,228	(7,772)	224,956
Telephone franchise fees	9,785	9,785	9,783	(2)	9,783
Total franchise fees	239,785	239,785	232,011	(7,774)	234,739
Charges for services:					
Swimming pool	92,245	92,245	98,790	6,545	89,832
Senior van rider fees	625	625	892	267	852
Building inspections	20,000	20,000	38,350	18,350	28,465
Plumbing inspections	10,000	10,000	13,750	3,750	12,695
Electrical inspections	1,000	1,000	850	(150)	925
Public hearing	5,000	5,000	4,200	(800)	6,300
Total charges for services	128,870	128,870	156,832	27,962	139,069
Fines	156,000	156,000	181,722	25,722	156,640
Interest	800	800	52,229	51,429	1,248
Other revenues:					
Miscellaneous revenue	64,100	64,100	106,955	42,855	120,559
Developer reimbursements	200,000	200,000	706,666	506,666	610,785
Other reimbursements	215,700	215,700	290,058	74,358	219,485
Sale of vehicles/equipment/property	2,000	2,000	-	(2,000)	2,828
Total other revenues	481,800	481,800	1,103,679	621,879	953,657
Total revenues	14,476,423	14,476,423	17,622,109	3,145,686	15,315,273

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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Total revenues (carried forward)	\$ 14,476,423	14,476,423	17,622,109	3,145,686	15,315,273
Expenditures:					
Current:					
General government	4,526,776	4,526,776	5,351,788	825,012	4,401,816
Public safety	5,957,114	5,957,114	5,173,003	(784,111)	4,852,050
Transportation & public works	2,848,600	2,848,600	2,554,124	(294,476)	2,289,822
Culture and recreation	968,939	968,939	683,316	(285,623)	547,931
Employee retirement costs	1,349,129	1,349,129	1,349,129	-	1,304,327
Capital outlay	1,076,000	1,076,000	369,091	(706,909)	562,275
Total expenditures	16,726,558	16,726,558	15,480,451	(1,246,107)	13,958,221
Excess of revenue over (under) expenditures	(2,250,135)	(2,250,135)	2,141,658	4,391,793	1,357,052
Other financing sources (uses):					
Transfers in	511,592	511,592	6,298	505,294	-
Transfers out	(400,000)	(400,000)	-	(400,000)	(100,000)
Total other financing sources (uses)	111,592	111,592	6,298	105,294	(100,000)
Changes in fund balance	\$ (2,138,543)	(2,138,543)	2,147,956	4,286,499	1,257,052
Fund balance, beginning of year			7,302,857		6,045,805
Fund balance, end of year			9,450,813		7,302,857

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

SCHEDULE A-2

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)**

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Property tax	\$ 5,400,000	5,400,000	5,526,565	126,565	5,250,460
Interest income	3,500	3,500	95,646	92,146	4,713
Miscellaneous income	100	100	-	(100)	8,421
Total revenues	5,403,600	5,403,600	5,622,211	218,611	5,263,594
Expenditures:					
General government:					
Business Development Director	47,500	47,500	52,458	4,958	15,451
Community Affairs	41,600	41,600	41,742	142	571
Health Insurance	53,295	53,295	39,448	(13,847)	7,106
Dental & Vision	2,115	2,115	1,500	(615)	327
Life Insurance	175	175	388	213	35
Accounting services	9,500	9,500	-	(9,500)	-
Engineering services	131,000	131,000	51,188	(79,812)	150,604
Legal services	50,000	50,000	22,128	(27,872)	11,912
Other professional services	57,000	57,000	124,995	67,995	13,814
Miscellaneous expenses	5,000	5,000	-	(5,000)	-
Total general government	397,185	397,185	333,847	(63,338)	199,820
Community development:					
Loan/grant distributions	250,000	250,000	-	(250,000)	-
TIF reimbursement	3,400,000	3,400,000	3,315,939	(84,061)	3,150,276
Total community development	3,650,000	3,650,000	3,315,939	(334,061)	3,150,276
Capital outlay:					
Building improvements	500,000	500,000	107,561	(392,439)	1,500
Parks improvements	300,000	300,000	22,775	(277,225)	82,830
Building construction	148,500	148,500	165,522	17,022	490,369
Demolition of buildings	1,000	1,000	-	(1,000)	-
Bulk fuel storage facility	25,000	25,000	6,655	(18,345)	17,758
Sewerage treatment plant	100,000	100,000	-	(100,000)	1,713,114
Swimming pool/tennis courts	5,000	5,000	-	(5,000)	-
Equipment	430,000	430,000	223,789	(206,211)	256,908
Water system improvement	100,000	100,000	-	(100,000)	75,230
Water tower improvements	5,000	5,000	-	(5,000)	6,400
Sanitary sewer systems	5,000	5,000	-	(5,000)	-
Street construction	350,000	350,000	158,449	(191,551)	15,296
Storm sewer construction	5,000	5,000	-	(5,000)	-
Street lighting improvement	190,000	190,000	-	(190,000)	7,125
Traffic signals	70,000	70,000	-	(70,000)	18,454
Off street parking	50,000	50,000	-	(50,000)	-
Downtown development	800,000	800,000	149,506	(650,494)	6,221
Total capital outlay	3,084,500	3,084,500	834,257	(2,250,243)	2,691,205
Provision for contingency	100,000	100,000	-	(100,000)	-
Total expenditures	7,231,685	7,231,685	4,484,043	(2,747,642)	6,041,301

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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Excess of revenue over (under) expenditures	(1,828,085)	(1,828,085)	1,138,168	2,966,253	(777,707)
Other financing sources (uses): Transfers to Marina TIF Fund	(300,000)	(300,000)	(300,000)	-	(300,000)
Changes in fund balances	<u>\$ (2,128,085)</u>	<u>(2,128,085)</u>	838,168	<u>2,966,253</u>	(1,077,707)
Fund balance, beginning of year			<u>3,889,730</u>		<u>4,967,437</u>
Fund balance, end of year			<u>4,727,898</u>		<u>3,889,730</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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			Variance with Final Budget	2022
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Property tax	\$ 24,000	24,000	27,473	3,473	23,109
Interest income	1,400	1,400	25,291	23,891	1,970
Miscellaneous income	-	-	-	-	37,694
Total revenues	25,400	25,400	52,764	27,364	62,773
Expenditures:					
General government:					
Engineering services	50,000	50,000	11,322	(38,678)	358,969
Other professional services	10,000	10,000	9,875	(125)	37,048
Miscellaneous expenses	3,000	3,000	-	(3,000)	34,074
Total general government	63,000	63,000	21,197	(41,803)	430,091
Environment:					
Legal services	50,000	50,000	13,611	(36,389)	27,128
CLC closure expenses	275,000	275,000	84,489	(190,511)	242,789
Total environment	325,000	325,000	98,100	(226,900)	269,917
Community development:					
TIF reimbursement	7,500	7,500	8,242	742	6,933
Total community development	7,500	7,500	8,242	742	6,933
Capital outlay:					
Land purchases	-	-	-	-	7,690
Building construction	50,000	50,000	1,680	(48,320)	-
Demolition of buildings	25,000	25,000	-	(25,000)	-
Sewerage treatment plant	10,000	10,000	-	(10,000)	35,093
Equipment	10,000	10,000	1,415	(8,585)	26,537
Water system	10,000	10,000	-	(10,000)	10,578
Water tower	8,250	8,250	-	(8,250)	-
Sanitary sewer systems	10,000	10,000	-	(10,000)	-
Street construction	10,000	10,000	-	(10,000)	-
Storm sewer construction	10,000	10,000	-	(10,000)	-
Street lighting improvement	10,000	10,000	-	(10,000)	-
Total capital outlay	153,250	153,250	3,095	(150,155)	79,898
Total expenditures	548,750	548,750	130,634	(418,116)	786,839
Excess of revenue over (under) expenditures	(523,350)	(523,350)	(77,870)	445,480	(724,066)
Other financing sources (uses):					
Transfers from TIF I Fund	300,000	300,000	300,000	-	300,000
Changes in fund balances	\$ (223,350)	(223,350)	222,130	445,480	(424,066)
Fund balances, beginning of year			1,673,348		2,097,414
Fund balances, end of year			1,895,478		1,673,348

CITY OF MORRIS, ILLINOIS

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,	2022	2021	2020
TOTAL PENSION LIABILITY			
Service cost	\$ 345,568	336,865	331,547
Interest on the total pension liability	1,519,372	1,426,104	1,348,997
Benefit changes	-	-	-
Differences between expected and actual experience	(255,233)	304,327	139,616
Assumption changes	-	-	(80,971)
Benefit payments and refunds	(831,373)	(739,010)	(617,605)
Net Change in Total Pension Liability	778,334	1,328,286	1,121,584
Total Pension Liability - Beginning	21,199,752	19,871,466	18,749,882
Total Pension Liability - Ending (a)	<u>\$ 21,978,086</u>	<u>21,199,752</u>	<u>19,871,466</u>
PLAN FIDUCIARY NET POSITION			
Employer contributions	\$ 326,620	386,260	354,118
Employee contributions	177,170	156,014	148,652
Pension Plan Net Investment Income	(2,662,766)	3,284,382	2,453,983
Benefit Payments and Refunds	(831,373)	(739,010)	(617,605)
Other	(31,737)	114,358	83,598
Net Change in Plan Fiduciary Net Position	(3,022,086)	3,202,004	2,422,746
Plan Fiduciary Net Position - Beginning	23,691,389	20,489,385	18,066,639
Plan Fiduciary Net Position - Ending (b)	<u>\$ 20,669,303</u>	<u>23,691,389</u>	<u>20,489,385</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	<u>\$ 1,308,783</u>	<u>(2,491,637)</u>	<u>(617,919)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.05%	111.75%	103.11%
Covered Valuation Payroll	\$ 3,820,120	3,466,952	3,303,341
Net Pension Liability as a Percentage of Covered Valuation Payroll	34.26%	-71.87%	-18.71%

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

2019	2018	2017	2016	2015	2014	2013
338,662	313,358	323,518	326,423	332,089	-	-
1,295,073	1,261,016	1,215,723	1,193,706	1,154,965	-	-
-	-	-	-	-	-	-
(269,929)	(452,470)	89,552	(535,715)	(289,758)	-	-
-	477,752	(498,711)	(39,276)	20,234	-	-
(615,350)	(510,196)	(531,981)	(853,392)	(498,912)	-	-
748,456	1,089,460	598,101	91,746	718,618	-	-
18,001,426	16,911,966	16,313,865	16,222,119	15,503,501	-	-
18,749,882	18,001,426	16,911,966	16,313,865	16,222,119	-	-
276,400	342,092	367,818	361,233	343,572	-	-
143,461	142,275	155,955	128,200	129,538	-	-
2,686,531	(713,029)	2,445,736	948,357	70,089	-	-
(615,350)	(510,196)	(531,981)	(853,392)	(498,912)	-	-
73,265	(609,588)	(151,903)	165,739	(260,055)	-	-
2,564,307	(1,348,446)	2,285,625	750,137	(215,768)	-	-
15,502,332	16,850,778	14,565,153	13,815,016	14,030,784	-	-
18,066,639	15,502,332	16,850,778	14,565,153	13,815,016	-	-
683,243	2,499,094	61,188	1,748,712	2,407,103	-	-
96.36%	86.12%	99.64%	89.28%	85.16%	N/A	N/A
3,187,998	3,161,676	3,014,910	2,848,846	2,853,592	N/A	N/A
21.43%	79.04%	2.03%	61.38%	84.35%	N/A	N/A

**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
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 8.55% and covered valuation payroll of \$3,820,120

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 2022 contribution rate:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10 year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 21-year closed period Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; one employer was financed over 20 years; three employers were financed over 25 years; four employers were financed over 26 years; and one employer was financed over 27 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.85% 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.

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

Required Supplementary Information
Police Pension Fund
Multiyear Schedule of Changes in the City's Net Pension Liability and Related Ratios*

	Year Ended April 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY									
Service Cost	\$ 547,859	542,104	530,667	522,376	\$ 521,843	494,988	462,606	527,656	476,599
Interest	2,012,683	1,902,377	1,884,373	1,802,222	1,711,831	1,630,422	1,610,743	1,425,267	1,263,077
Changes of benefit terms	(13,951)	-	-	101,138	-	-	-	-	-
Difference between expected and actual experience	690,965	(761,910)	(301,307)	255,193	139,383	51,603	276,567	(133,043)	(142,339)
Changes of assumptions	-	-	-	(93,964)	-	-	(1,144,868)	1,615,620	1,396,152
Benefit payments, including refunds of employee contributions	(1,616,549)	(1,415,343)	(1,156,256)	(1,148,540)	(1,014,960)	(1,013,106)	(834,742)	(736,933)	(616,037)
Net Change in Total Pension Liability	1,621,007	267,228	957,477	1,438,425	1,358,097	1,163,907	370,306	2,698,567	2,377,452
Total Fiduciary Pension Liability - Beginning	28,983,430	28,716,202	27,758,725	26,320,300	24,962,203	23,798,296	23,427,990	20,729,423	18,351,971
Total Fiduciary Pension Liability - Ending (a)	\$ 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
PLAN FIDUCIARY NET POSITION									
Contributions - employer	\$ 1,349,129	1,304,327	1,258,390	1,219,594	\$ 1,142,652	1,085,076	850,349	695,513	695,513
Contributions - employee	239,791	256,132	226,195	212,683	199,079	188,881	194,448	184,586	193,488
Net investment income	635,882	(49,689)	3,611,144	363,699	1,122,081	716,561	1,149,275	103,727	671,503
Benefit payments, including refunds of employee contributions	(1,616,549)	(1,415,343)	(1,156,256)	(1,148,540)	(1,014,960)	(1,013,106)	(834,742)	(736,933)	(616,037)
Administrative expense	(38,877)	(18,316)	(18,428)	(27,662)	(32,614)	(21,571)	(12,106)	(13,833)	(12,384)
Prior Period Audit Adjustment	-	-	-	-	-	-	-	(695,513)	-
Net Change in Plan Fiduciary Net Position	569,376	77,111	3,921,045	619,774	1,416,238	955,841	1,347,224	(462,453)	932,083
Plan Fiduciary Net Position - Beginning	20,613,439	20,536,328	16,615,283	15,995,509	13,883,758	12,927,917	11,580,693	12,043,146	11,111,063
Plan Fiduciary Net Position - Ending (b)	\$ 21,182,815	20,613,439	20,536,328	16,615,283	\$ 15,299,996	13,883,758	12,927,917	11,580,693	12,043,146
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	\$ 9,421,622	8,369,991	8,179,874	11,143,442	\$ 11,020,304	11,078,445	10,870,379	11,847,297	8,686,277
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	69.21%	71.12%	71.51%	59.86%	58.13%	55.62%	54.32%	49.43%	58.10%
Covered Valuation Payroll	\$ 2,421,158	2,339,019	2,265,394	2,135,662	\$ 2,008,053	1,990,599	1,927,941	1,887,973	1,931,530
Net Pension Liability as a Percentage of Covered Valuation Payroll	389.14%	357.84%	361.08%	521.78%	548.81%	556.54%	563.83%	627.51%	449.71%

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

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

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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 3.21% to 3.53% 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 2022 contribution rate:

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

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

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,				
	2023	2022	2021	2020	2019
TOTAL OPEB LIABILITY					
Service Cost	\$ 31,192	37,615	33,711	25,601	23,957
Interest	56,619	47,255	51,298	64,184	66,845
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(653,185)	-	(5,535)	-	-
Changes of assumptions	(17,769)	(313,885)	100,865	332,251	28,549
Benefit payments, including refunds of employee contributions	(88,565)	(89,248)	(115,655)	(108,367)	(110,249)
Net Change in Total OPEB Liability	(671,708)	(318,263)	64,684	313,669	9,102
Total OPEB Liability - Beginning	1,808,096	2,126,359	2,061,675	1,748,006	1,738,904
Total OPEB Liability - Ending (a)	<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					
Contributions - employer	\$ 88,565	89,248	115,655	108,367	110,249
Contributions - employee	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(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>
EMPLOYER'S NET OPEB LIABILITY (ASSET) (a-b)	<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%
Covered Valuation Payroll	\$ 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	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 April 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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 \$88,565.

*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, 2023**

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 1st. 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 1st, 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 29, 2022. The budget was amended on July 17, 2023.

NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS – MAJOR FUNDS

Major funds that had expenditures in excess of appropriations for the year ended April 30, 2023 are shown below:

<u>Fund</u>	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General Fund	\$ 16,726,558	15,480,451	1,246,107

NOTE 3: PENSIONS

Police Pension

Changes of Assumptions

For measurement date April 30, 2023, 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 3.21% to 3.53% 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, 2023

(With Comparative Figures for April 30, 2022)

	Total Non-major Governmental Funds		Special Revenue Funds			
	2023	2022	Illinois Municipal Retirement Fund	Motor Fuel Tax Fund	Sanitary Landfill Contingency Fund	West Route 6 Special Assessment Fund
<u>Assets</u>						
Cash and cash equivalents	\$ 5,163,417	5,363,429	434,586	1,808,692	228,681	10,816
Receivables:						
Property taxes	530,066	625,856	530,066	-	-	-
Other taxes	74,493	96,894	20,517	26,679	-	-
Total assets	<u>\$ 5,767,976</u>	<u>6,086,179</u>	<u>985,169</u>	<u>1,835,371</u>	<u>228,681</u>	<u>10,816</u>
<u>Liabilities</u>						
Overdraft payable	\$ 21,827	-	-	-	-	-
Accrued expenses	76,899	38,953	11,043	-	63,242	-
Total liabilities	<u>98,726</u>	<u>38,953</u>	<u>11,043</u>	<u>-</u>	<u>63,242</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>						
Property taxes levied for subsequent years	530,066	625,856	530,066	-	-	-
Total deferred inflows of resources	<u>530,066</u>	<u>625,856</u>	<u>530,066</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>						
Restricted	5,161,011	5,421,370	444,060	1,835,371	165,439	10,816
Unassigned	(21,827)	-	-	-	-	-
Total fund balances	<u>5,139,184</u>	<u>5,421,370</u>	<u>444,060</u>	<u>1,835,371</u>	<u>165,439</u>	<u>10,816</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 5,767,976</u>	<u>6,086,179</u>	<u>985,169</u>	<u>1,835,371</u>	<u>228,681</u>	<u>10,816</u>

CITY OF MORRIS, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-1
(CONTINUED)

Combining Balance Sheet

April 30, 2023

(With Comparative Figures for April 30, 2022)

	Special Revenue Funds						
	Park and Civic Improvements Fund	Solid Waste Tax Fund	Motel Tax Fund	Drug Fine and Forfeiture Fund	American Recovery Plan Act Fund	Police Seizure and Forfeiture Fund	TIF District III Fund
<u>Assets</u>							
Cash and cash equivalents	\$ 103,537	56,692	297,349	104,640	2,097,515	20,909	-
Receivables:							
Property taxes	-	-	-	-	-	-	-
Other taxes	-	-	27,297	-	-	-	-
Total assets	<u>\$ 103,537</u>	<u>56,692</u>	<u>324,646</u>	<u>104,640</u>	<u>2,097,515</u>	<u>20,909</u>	<u>-</u>
<u>Liabilities</u>							
Overdraft payable	\$ -	-	-	-	-	-	21,827
Accrued expenses	-	-	2,614	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>2,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,827</u>
<u>Deferred Inflows of Resources</u>							
Property taxes levied for subsequent years	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>							
Restricted	103,537	56,692	322,032	104,640	2,097,515	20,909	-
Unassigned	-	-	-	-	-	-	(21,827)
Total fund balances	<u>103,537</u>	<u>56,692</u>	<u>322,032</u>	<u>104,640</u>	<u>2,097,515</u>	<u>20,909</u>	<u>(21,827)</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 103,537</u>	<u>56,692</u>	<u>324,646</u>	<u>104,640</u>	<u>2,097,515</u>	<u>20,909</u>	<u>-</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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	Totals		Special Revenue Funds			
			Illinois Municipal Retirement Fund	Motor Fuel Tax Fund	Sanitary Landfill Contingency Board Fund	West Route 6 Special Assessment Fund
	2023	2022				
Revenues:						
Property taxes	\$ 599,939	589,219	599,939	-	-	-
Other local taxes	466,595	447,046	125,164	-	-	-
Intergovernmental	570,981	565,073	-	570,981	-	-
Grants	1,174,019	1,323,796	-	149,778	-	-
Fines	36,163	34,200	-	-	-	-
Donations	95,219	74,851	-	-	-	-
Interest income	76,551	3,836	8,791	11,608	1,681	4
Miscellaneous	4,440	5,000	-	-	-	-
Total revenues	3,023,907	3,043,021	733,894	732,367	1,681	4
Expenditures:						
Current:						
General Government	91,055	22,917	-	-	-	-
Public safety	30,515	15,841	-	-	-	-
Transportation and public service	172,303	170,101	-	172,303	-	-
Culture and recreation	346,107	250,252	-	-	-	-
Environment	15,057	25,701	-	-	-	-
Employee retirement costs	686,395	695,071	686,395	-	-	-
Capital outlay	1,958,363	453,754	-	1,631,910	105,894	-
Total expenditures	3,299,795	1,633,637	686,395	1,804,213	105,894	-
Excess (deficiency) of revenues over (under) expenditures	(275,888)	1,409,384	47,499	(1,071,846)	(104,213)	4
Other financing sources (uses):						
Transfers out	(6,298)	-	-	-	-	-
Total other financing sources (uses)	(6,298)	-	-	-	-	-
Net change in fund balance	(282,186)	1,409,384	47,499	(1,071,846)	(104,213)	4
Fund balance, beginning of year	5,421,370	4,011,986	396,561	2,907,217	269,652	10,812
Fund balance, end of year	\$ 5,139,184	5,421,370	444,060	1,835,371	165,439	10,816

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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	Special Revenue Funds						
	Parks and Civic Improvements Fund	Solid Waste Tax Fund	Motel Tax Fund	Drug Fine and Forfeiture Fund	American Recovery Plan Act Fund	Police Seizure and Forfeiture Fund	TIF District III Fund
Revenues:							
Property taxes	\$ -	-	-	-	-	-	-
Other local taxes	-	-	341,431	-	-	-	-
Intergovernmental Grants	-	-	-	-	1,024,241	-	-
Fines	6,000	-	-	30,119	-	44	-
Donations	74,552	-	20,667	-	-	-	-
Interest income	678	460	5,252	644	47,429	4	-
Miscellaneous	-	-	3,347	1,093	-	-	-
Total revenues	81,230	460	370,697	31,856	1,071,670	48	-
Expenditures:							
Current:							
General Government	-	-	69,228	-	-	-	21,827
Public safety	-	-	-	29,480	-	1,035	-
Transportation and public service	-	-	-	-	-	-	-
Culture and recreation	41,851	-	304,256	-	-	-	-
Environment	-	15,057	-	-	-	-	-
Employee retirement costs	-	-	-	-	-	-	-
Capital outlay	14,536	178,570	16,953	10,500	-	-	-
Total expenditures	56,387	193,627	390,437	39,980	-	1,035	21,827
Excess (deficiency) of revenues over (under) expenditures	24,843	(193,167)	(19,740)	(8,124)	1,071,670	(987)	(21,827)
Other financing sources (uses):							
Transfers out	-	-	-	(6,298)	-	-	-
Total other financing sources (uses)	-	-	-	(6,298)	-	-	-
Net change in fund balance	24,843	(193,167)	(19,740)	(14,422)	1,071,670	(987)	(21,827)
Fund balance, beginning of year	78,694	249,859	341,772	119,062	1,025,845	21,896	-
Fund balance, end of year	\$ 103,537	56,692	322,032	104,640	2,097,515	20,909	(21,827)

**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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)**

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Property taxes	\$ 593,000	593,000	599,939	6,939	589,219
Replacement income taxes	92,000	92,000	125,164	33,164	119,341
Interest income	200	200	8,791	8,591	214
Total revenues	<u>685,200</u>	<u>685,200</u>	<u>733,894</u>	<u>48,694</u>	<u>708,774</u>
Expenditures:					
Personnel:					
Social security contribution	283,300	283,300	267,551	15,749	251,073
Medicare contribution	108,300	108,300	106,350	1,950	99,617
IMRF contribution	<u>559,000</u>	<u>559,000</u>	<u>312,494</u>	<u>246,506</u>	<u>344,381</u>
Total expenditures	<u>950,600</u>	<u>950,600</u>	<u>686,395</u>	<u>264,205</u>	<u>695,071</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (265,400)</u>	<u>(265,400)</u>	47,499	<u>312,899</u>	13,703
Fund balance, beginning of year			<u>396,561</u>		<u>382,858</u>
Fund balance, end of year			<u>444,060</u>		<u>396,561</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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Motor fuel tax allotment	\$ 565,000	565,000	570,981	5,981	543,595
High growth allotment	20,000	20,000	-	(20,000)	21,478
Rebuild Illinois grant	149,778	149,778	149,778	-	299,555
Interest income	800	800	11,608	10,808	1,515
Total revenues	<u>735,578</u>	<u>735,578</u>	<u>732,367</u>	<u>(3,211)</u>	<u>866,143</u>
Expenditures:					
Contractual services:					
Engineering	100,000	100,000	130,070	30,070	170,101
Commodities:					
Maintenance - streets	10,000	10,000	42,233	32,233	-
Maintenance - sidewalks	10,000	10,000	-	(10,000)	-
Capital outlay					
Improvements - streets	1,891,110	1,891,110	1,631,910	(259,200)	292,089
Improvements - bridges	10,000	10,000	-	(10,000)	-
Storm sewer construction	10,000	10,000	-	(10,000)	-
Total expenditures	<u>2,031,110</u>	<u>2,031,110</u>	<u>1,804,213</u>	<u>(226,897)</u>	<u>462,190</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,295,532)</u>	<u>(1,295,532)</u>	<u>(1,071,846)</u>	<u>223,686</u>	<u>403,953</u>
Fund balance, beginning of year			<u>2,907,217</u>		<u>2,503,264</u>
Fund balance, end of year			<u>1,835,371</u>		<u>2,907,217</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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Interest income	\$ 110	110	1,681	1,571	135
Total revenues	110	110	1,681	1,571	135
Expenditures:					
Contractual services:					
Engineering services	1,000	1,000	-	(1,000)	-
Legal service	25,000	25,000	-	(25,000)	-
Other professional services	1,000	1,000	-	(1,000)	-
Capital outlay:					
Landfill closure costs	246,000	246,000	105,894	(140,106)	-
Total expenditures	273,000	273,000	105,894	(167,106)	-
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (272,890)</u>	<u>(272,890)</u>	(104,213)	<u>168,677</u>	135
Fund balance, beginning of year			269,652		269,517
Fund balance, end of year			<u>165,439</u>		<u>269,652</u>

CITY OF MORRIS, ILLINOIS
WEST ROUTE 6 SPECIAL ASSESSMENT FUND

SCHEDULE C-6

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023				2022
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Acreage fees	\$ 2,000	2,000	-	(2,000)	-
Interest income	4	4	4	-	4
Miscellaneous income	2,000	2,000	-	(2,000)	-
Total revenues	4,004	4,004	4	(4,000)	4
Expenditures:					
Other expenditures:					
Engineering services	2,500	2,500	-	(2,500)	-
Improvements	7,500	7,500	-	(7,500)	-
Miscellaneous expense	2,500	2,500	-	(2,500)	-
Total expenditures	12,500	12,500	-	(12,500)	-
Excess (deficiency) of revenues over (under) expenditures	\$ (8,496)	(8,496)	4	8,500	4
Fund balance, beginning of year			10,812		10,808
Fund balance, end of year			10,816		10,812

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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Park site zoning fees	\$ 3,000	3,000	6,000	3,000	4,392
Donations	62,152	62,152	74,552	12,400	74,851
Miscellaneous income	100	100	-	(100)	-
Interest income	40	40	678	638	43
Total revenues	65,292	65,292	81,230	15,938	79,286
Expenditures:					
Contractual services:					
Engineering services	10,000	10,000	-	10,000	-
Legal services	1,000	1,000	-	(1,000)	-
Other professional services	42,000	42,000	36,046	(5,954)	-
Printing/publishing	4,000	4,000	3,130	(870)	-
Other expenditures:					
Miscellaneous donations	5,000	5,000	2,500	(2,500)	1,000
Miscellaneous expense	2,000	2,000	175	(1,825)	-
Capital outlay:					
Land purchase & improv.	1,000	1,000	12,511	11,511	112,007
Civic & safety improvements	16,000	16,000	225	(15,775)	-
Building construction	5,000	5,000	1,800	3,200	-
Total expenditures	86,000	86,000	56,387	(3,213)	113,007
Excess (deficiency) of revenues over (under) expenditures	\$ (20,708)	(20,708)	24,843	45,551	(33,721)
Fund balance, beginning of year			78,694		112,415
Fund balance, end of year			103,537		78,694

**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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)**

	2023			Variance with Final Budget	2022
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Interest income	\$ 120	120	460	340	148
Total revenues	120	120	460	340	148
Expenditures:					
Contractual services:					
Legal services	50,000	50,000	-	(50,000)	-
Recycling expenses	5,000	5,000	-	(5,000)	25,561
Other expenditures:					
Miscellaneous expense	10,000	10,000	15,057	5,057	140
Capital outlay:					
Landfill well monitoring	189,910	189,910	178,570	(11,340)	23,540
Total expenditures	254,910	254,910	193,627	(61,283)	49,241
Excess (deficiency) of revenues over (under) expenditures	\$ (254,790)	(254,790)	(193,167)	61,623	(49,093)
Fund balance, beginning of year			249,859		298,952
Fund balance, end of year			56,692		249,859

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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Motel taxes	\$ 330,000	330,000	341,431	11,431	327,705
Interest income	120	120	5,252	5,132	108
Sponsorships	-	-	20,667	20,667	-
Miscellaneous income	5,000	5,000	3,347	(1,653)	5,000
Total revenues	335,120	335,120	370,697	35,577	332,813
Expenditures:					
General Government:					
Business Dev Director	47,500	47,500	47,662	162	15,450
Health	26,647	26,647	20,577	(6,070)	7,106
Dental and vision	1,071	1,071	852	(219)	327
Life	175	175	137	(38)	34
Contractual services:					
Other professional services	5,000	5,000	19,000	14,000	1,632
Printing/publishing	15,000	15,000	4,786	(10,214)	4,526
Other expenditures:					
Sponsorships & donations	200,000	200,000	137,831	(62,169)	201,939
City special events	50,000	50,000	15,999	(34,001)	19,625
Tourism expenses	45,000	45,000	85,217	40,217	21,530
Miscellaneous expenses	11,500	11,500	9,114	(2,386)	-
Home for the Holidays	20,000	20,000	23,993	3,993	-
Liberty Art Festival	10,000	10,000	8,232	(1,768)	-
Holiday in the Park	-	84	84	-	-
Capital outlay:					
Land purchases	1,000	1,000	-	(1,000)	-
Parks improvements	100,000	100,000	4,563	(95,437)	6,387
I&M canal improvements	15,000	15,000	12,390	(2,610)	-
Building improvements	10,000	10,000	-	(10,000)	-
Total expenditures	557,893	557,977	390,437	(167,540)	278,556
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (222,773)</u>	<u>(222,857)</u>	(19,740)	<u>203,117</u>	54,257
Fund balance, beginning of year			<u>341,772</u>		<u>287,515</u>
Fund balance, end of year			<u>322,032</u>		<u>341,772</u>

**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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)**

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Drug enforcement fees	\$ 100	100	-	(100)	87
DUI equipment fees	18,000	18,000	17,070	(930)	18,732
Police vehicle equip fees	1,500	1,500	100	(1,400)	141
Failure to appear fines	-	-	-	-	3,710
E-Citation development fees	1,500	1,500	11,228	9,728	1,399
Interest income	70	70	644	574	65
Miscellaneous income	1,000	1,000	1,093	93	-
Total revenues	22,170	22,170	31,856	9,686	24,134
Expenditures:					
Communications:					
Cell phone	-	-	-	-	1,600
Contractual services:					
Article 36	1,900	1,900	1,889	(11)	1,983
Other expenditures:					
Drug crime enforcement	1,500	1,500	1,430	(70)	10,661
DUI fund	18,000	18,000	12,099	(5,901)	-
Miscellaneous expense	15,000	15,000	14,062	(938)	1,597
Capital outlay :					
Equipment	1,000	1,000	600	(400)	852
DUI equipment	-	-	-	-	91
E-citation expense	9,900	9,900	9,900	-	-
Vehicles	-	-	-	-	18,045
Communication equipment	-	-	-	-	743
Total expenditures	47,300	47,300	39,980	(7,320)	35,572
Excess (deficiency) of revenues over (under) expenditures	(25,130)	(25,130)	(8,124)	17,006	(11,438)
Other financing sources (uses):					
Transfers to other funds	(6,298)	(6,298)	(6,298)	-	-
Total other financing sources (uses)	(6,298)	(6,298)	(6,298)	-	-
Net change in fund balance	\$ (25,130)	(25,130)	(14,422)	17,006	
Fund balance, beginning of year			119,062		130,500
Fund balance, end of year			104,640		119,062

**CITY OF MORRIS, ILLINOIS
AMERICAN RECOVERY ACT FUND**

SCHEDULE C-11

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)**

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Grant	\$ 1,023,184	1,023,184	1,024,241	1,057	1,024,241
Interest income	1,500	1,500	47,429	45,929	1,604
Total revenues	<u>1,024,684</u>	<u>1,024,684</u>	<u>1,071,670</u>	<u>46,986</u>	<u>1,025,845</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	1,024,684	1,024,684	1,071,670	46,986	1,025,845
Other financing sources (uses):					
Transfers to other funds	<u>(511,592)</u>	<u>(511,592)</u>	<u>-</u>	<u>511,592</u>	<u>-</u>
Net change in fund balance	<u>\$ 513,092</u>	<u>513,092</u>	<u>1,071,670</u>	<u>558,578</u>	<u>1,025,845</u>
Fund balance, beginning of year			<u>1,025,845</u>		<u>-</u>
Fund balance, end of year			<u><u>2,097,515</u></u>		<u><u>1,025,845</u></u>

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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023				2022
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Seizure / asset forfeitures	\$ 48,000	48,000	44	(47,956)	5,739
Interest Income	100	100	4	(96)	
Total revenues	48,100	48,100	48	(48,052)	5,739
Expenditures:					
IL State Police disbursement	48,100	48,100	1,035	(47,065)	-
Total expenditures	48,100	48,100	1,035	(47,065)	-
Excess (deficiency) of revenues over (under) expenditures	\$ -	-	(987)	(987)	5,739
Fund balance, beginning of year			21,896		16,157
Fund balance, end of year			20,909		21,896

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:	\$ -	-	-	-	-
Expenditures:					
Engineering services	-	154	154	-	-
Legal services	-	7,251	7,251	-	-
Other professional services	-	14,294	14,294	-	-
Miscellaneous expenses	-	128	128	-	-
Total expenditures	-	21,827	21,827	-	-
Excess (deficiency) of revenues over (under) expenditures	\$ -	(21,827)	(21,827)	-	-
Fund balance, beginning of year			-		-
Fund balance (deficit), end of year			(21,827)		-

CITY OF MORRIS, ILLINOIS
WATER AND SEWER FUNDS

SCHEDULE D-1

Combining Statement of Net Position
April 30, 2023
(With Comparative Figures for April 30, 2022)

	Operations and Maintenance Fund	Capital Improvement Fund	Alternate Revenue Bond And Interest Fund	Totals	
				2023	2022
<u>Assets</u>					
Cash and cash equivalents	\$ 5,876,630	1,159,380	128	7,036,138	9,053,167
Water and sewer fee receivables (net)	135,915	-	-	135,915	70,269
Due from (to) Capital Improvement Fund	4,100,000	(4,100,000)	-	-	-
Capital assets:					
Land	613,374	-	-	613,374	613,374
Construction in progress	2,531,122	2,049,872	-	4,580,994	2,296,400
Machinery and equipment	1,150,626	123,390	-	1,274,016	914,537
Vehicles	466,748	-	-	466,748	439,248
Infrastructure	48,911,064	2,900,808	-	51,811,872	49,733,275
Accumulated depreciation	(23,859,294)	(78,120)	-	(23,937,414)	(23,074,215)
Total assets	39,926,185	2,055,330	128	41,981,643	40,046,055
<u>Deferred Outflows of Resources</u>					
Asset retirement obligation	136,266	-	-	136,266	138,133
Deferred charge on refunding	-	-	152,461	152,461	194,909
	136,266	-	152,461	288,727	333,042
<u>Liabilities</u>					
Accounts payable and accrued expenses	283,394	-	-	283,394	223,074
Accrued interest payable	-	-	18,296	18,296	22,365
Long-term liabilities due within on year:					
Compensated absences	89,293	-	-	89,293	75,562
Line of credit	2,418,188	-	-	2,418,188	-
Alternate revenue bonds	-	-	501,371	501,371	485,000
Long term liabilities due in more than one year:					
Compensated absences	12,178	-	-	12,178	10,304
Asset retirement obligation	140,000	-	-	140,000	140,000
Alternate revenue bonds	-	-	1,561,448	1,561,448	2,069,172
Total liabilities	2,943,053	-	2,081,115	5,024,168	3,025,477
<u>Net Position</u>					
Net investment in capital assets	27,395,452	4,995,950	(2,062,819)	30,328,583	28,368,447
Restricted for:					
Public works capital projects	-	-	-	-	972,692
Debt service	-	-	134,293	134,293	173,021
Unrestricted	9,723,946	(2,940,620)	-	6,783,326	7,839,460
Total net position	\$ 37,119,398	2,055,330	(1,928,526)	37,246,202	37,353,620

Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	Operations and Maintenance Fund	Capital Improvement Fund	Alternate Revenue Bond And Interest Fund	Total	
				2023	2022
Operating revenues:					
Water and sewer sales	\$ 4,871,654	-	-	4,871,654	5,658,767
Infrastructure acre fees	-	5,692	-	5,692	1,159,710
Tap on fees/meters	70,496	-	-	70,496	56,253
Miscellaneous revenue	54,116	-	-	54,116	94,947
Total operating revenues	4,996,266	5,692	-	5,001,958	6,969,677
Operating expenses:					
Personal services	1,509,287	104,662	-	1,613,949	1,658,086
Contractual services	1,143,515	-	-	1,143,515	1,091,344
Commodities	682,192	-	-	682,192	441,244
Capital outlay/maintenance	653,986	41,690	-	695,676	574,737
Depreciation	812,359	52,707	-	865,066	1,098,422
Other expenses	84,931	-	-	84,931	77,918
Total operating expenses	4,886,270	199,059	-	5,085,329	4,941,751
Operating income (loss)	109,996	(193,367)	-	(83,371)	2,027,926
Non-operating revenues (expenses):					
Bond service fees	-	-	(351)	(351)	(350)
Capital contributed	-	-	-	-	1,982,874
Rental income	6,387	-	-	6,387	5,134
Interest income	47,720	7,804	29	55,553	5,685
Interest expense	-	-	(85,636)	(85,636)	(95,274)
Total non-operating revenues (expenses)	54,107	7,804	(85,958)	(24,047)	1,898,069
Income (loss) before transfers	164,103	(185,563)	(85,958)	(107,418)	3,925,995
Transfers in (out)	(548,583)	10,000	538,583	-	-
Change in net position	(384,480)	(175,563)	452,625	(107,418)	3,925,995
Net position, beginning of year	37,503,878	2,230,893	(2,381,151)	37,353,620	33,427,625
Net position, end of year	\$ 37,119,398	2,055,330	(1,928,526)	37,246,202	37,353,620

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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)**

	2023			Variance with Final Budget	2022
	Budgeted Amounts		Actual		Actual
	Original	Final			
Operating revenues:					
Water and sewer sales	\$ 6,012,000	6,012,000	4,805,754	(1,206,246)	5,588,064
Waste disposal fees	75,000	75,000	65,900	(9,100)	70,653
Waste disposal license	50	50	-	(50)	50
Tap-on-fees	50,000	50,000	46,500	(3,500)	31,500
Meter sales	20,000	20,000	23,996	3,996	24,753
Rental income	5,828	5,828	6,387	559	5,134
Reimbursement	100	100	-	(100)	2,431
Miscellaneous income	75,000	75,000	54,116	(20,884)	92,516
Total operating revenues	6,237,978	6,244,978	5,002,653	(1,235,325)	5,815,101
Operating expenses:					
Personal services	1,679,174	1,679,174	1,509,287	(169,887)	1,464,895
Contractual services	1,862,405	1,862,405	1,143,515	(718,890)	1,091,344
Commodities	959,700	959,700	682,192	(277,508)	441,244
Capital outlay/maintenance	7,795,500	7,795,500	653,986	(7,141,514)	491,873
Depreciation	-	-	812,359	812,359	1,094,477
Other expenses	1,544,000	1,544,000	84,931	(1,459,069)	77,918
Total operating expenses	13,840,779	13,840,779	4,886,270	(8,954,509)	4,661,751
Operating income (loss)	(7,602,801)	(7,595,801)	116,383	7,712,184	1,153,350
Non-operating income (loss):					
Federal and state grants	2,000	2,000	-	(2,000)	-
Loan proceeds	4,500,000	4,500,000	-	(4,500,000)	-
Capital contributed	-	-	-	-	1,982,874
Interest income	5,000	5,000	47,720	42,720	5,190
Total non-operating income (loss)	4,507,000	4,507,000	47,720	(4,459,280)	1,988,064
Income (loss) before transfers	(3,095,801)	(3,088,801)	164,103	3,252,904	3,141,414
Transfers in (out)	(548,610)	(548,610)	(548,583)	27	(545,000)
Change in net position	\$ (3,644,411)	(3,637,411)	(384,480)	3,252,931	2,596,414
Net position, beginning of year			37,503,878		34,907,464
Net position, end of year			37,119,398		37,503,878

**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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)**

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating revenues:					
Infrastructure acre fees	\$ 1,000	1,000	5,692	4,692	1,159,710
Total operating revenues	1,000	1,000	5,692	4,692	1,159,710
Operating expenses:					
Contractual services:					
Engineering services	468,050	468,050	104,545	(363,505)	192,653
Legal services	25,000	25,000	-	(25,000)	341
Other professional services	4,000	4,000	117	(3,883)	197
Maint. Supplies/Services	1,000	1,000	-	(1,000)	-
Capital outlay:					
STP improvements	101,000	101,000	-	(101,000)	-
WTP improvements	10,000	10,000	-	(10,000)	-
Water main improvements	2,500,000	2,500,000	41,690	(2,458,310)	-
Sanitary sewer improvements	200,000	200,000	-	(200,000)	82,864
NE STP improvements	1,000	1,000	-	(1,000)	-
Other expenses - misc.	1,000	1,000	-	(1,000)	-
Depreciation expense	-	-	52,707	52,707	3,945
Total operating expenses	3,311,050	3,311,050	199,059	(3,111,991)	280,000
Operating income	(3,310,050)	(3,310,050)	(193,367)	3,116,683	879,710
Nonoperating income (expense):					
Interest income	350	350	7,804	7,454	493
Total nonoperating income (expense):	350	350	7,804	7,454	493
Transfers in (out)	10,000	10,000	10,000	-	10,000
Change in net position	\$ (3,299,700)	(3,299,700)	(175,563)	3,124,137	890,203
Net position, beginning of year			2,230,893		1,340,690
Net position, end of year			2,055,330		2,230,893

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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating revenue:	\$ -	-	-	-	-
Operating expenses	-	-	-	-	-
Operating income (loss)	-	-	-	-	-
Non-operating income (expense):					
Interest income	5	5	29	24	2
Bond principal	(485,000)	(485,000)	-	485,000	-
Bond interest	(53,610)	(53,610)	(85,636)	(32,026)	(95,274)
Bond fees	(350)	(350)	(351)	(1)	(350)
Total non-operating income (expense)	(538,955)	(538,955)	(85,958)	452,997	(95,622)
Transfers in (out)	538,610	538,610	538,583	(27)	535,000
Change in net position	\$ (345)	(345)	452,625	452,970	439,378
Net position, beginning of year			(2,381,151)		(2,820,529)
Net position, end of year			(1,928,526)		(2,381,151)

CITY OF MORRIS, ILLINOIS
AIRPORT FUNDS

SCHEDULE E-1

Combining Statement of Net Position
April 30, 2023
(With Comparative Figures for April 30, 2022)

	Airport Operations Fund	Airport Development Fund	Totals	
			2023	2022
<u>Assets</u>				
Cash and cash equivalents	\$ 51,849	-	51,849	186,570
Accounts receivable	10,077	-	10,077	6,766
Inventories	64,281	-	64,281	33,153
Capital assets:				
Land	655,560	4,277,861	4,933,421	4,933,421
Land improvements	58,345	-	58,345	58,345
Machinery and equipment	-	66,925	66,925	66,925
Buildings and improvements	1,897,875	476,071	2,373,946	2,373,946
Infrastructure	7,800,769	-	7,800,769	7,800,769
Vehicles	102,500	-	102,500	102,500
Accumulated depreciation	(8,559,929)	(191,578)	(8,751,507)	(8,647,655)
Total assets	<u>2,081,327</u>	<u>4,629,279</u>	<u>6,710,606</u>	<u>6,914,740</u>
<u>Liabilities</u>				
Accounts payable and accrued expenses	14,961	-	14,961	46,379
Due to General Fund	370,385	1,000,000	1,370,385	1,370,385
Long-term liabilities due within on year:				
Compensated absences	32,975	-	32,975	6,622
Lease commitments payable	20,043	-	20,043	18,236
Long term liabilities due in more than one year:				
Compensated absences	2,205	-	2,205	1,100
Lease commitments payable	5,161	-	5,161	26,086
Total liabilities	<u>445,730</u>	<u>1,000,000</u>	<u>1,445,730</u>	<u>1,468,808</u>
<u>Net Position</u>				
Net investment in capital assets	1,559,531	3,629,279	5,188,810	5,273,544
Unrestricted	76,066	-	76,066	172,388
Total net position	<u>\$ 1,635,597</u>	<u>3,629,279</u>	<u>5,264,876</u>	<u>5,445,932</u>

**CITY OF MORRIS, ILLINOIS
AIRPORT FUNDS**

SCHEDULE E-2

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)**

	Airport	Airport	Total	
	Operations Fund	Development Fund	2023	2022
Operating revenues:				
Facilities rental	\$ 295,762	-	295,762	249,167
Fuel sales	430,627	-	430,627	299,416
Miscellaneous revenue	-	-	-	6,327
Total operating revenues	<u>726,389</u>	<u>-</u>	<u>726,389</u>	<u>554,910</u>
Operating expenses:				
Personal services	256,142	-	256,142	133,605
Contractual services	183,747	-	183,747	161,303
Commodities	344,665	-	344,665	272,447
Capital outlay/maintenance	11,186	-	11,186	338,324
Depreciation	86,403	17,449	103,852	103,852
Other expenses	7,217	-	7,217	16,689
Total operating expenses	<u>889,360</u>	<u>17,449</u>	<u>906,809</u>	<u>1,026,220</u>
Operating income (loss)	<u>(162,971)</u>	<u>(17,449)</u>	<u>(180,420)</u>	<u>(471,310)</u>
Non-operating revenues (expenses):				
State and federal grants	-	-	-	69,996
Interest income	1,132	-	1,132	145
Interest expense	(1,768)	-	(1,768)	(2,650)
Total non-operating revenues (expenses)	<u>(636)</u>	<u>-</u>	<u>(636)</u>	<u>67,491</u>
Income (loss) before transfers	(163,607)	(17,449)	(181,056)	(403,819)
Transfers in (out)	-	-	-	100,000
Change in net position	(163,607)	(17,449)	(181,056)	(303,819)
Net position, beginning of year	<u>1,799,204</u>	<u>3,646,728</u>	<u>5,445,932</u>	<u>5,749,751</u>
Net position, end of year	<u>\$ 1,635,597</u>	<u>3,629,279</u>	<u>5,264,876</u>	<u>5,445,932</u>

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, 2023
 (With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating revenues:					
Fuel sales	\$ 475,000	475,000	430,627	(44,373)	299,416
Rent:					
Hangars/land	213,201	213,201	204,227	(8,974)	198,954
Farmland	45,000	45,000	91,535	46,535	50,213
Mechanic shop/office lease	1,200	1,200	-	(1,200)	-
Miscellaneous income	97,673	97,673	-	(97,673)	6,327
Total operating revenues	832,074	832,074	726,389	(105,685)	554,910
Operating expenses:					
Personnel:					
Salaries:					
Airport Manager	56,425	56,425	89,776	33,351	54,020
Airport Maintenance	81,023	81,023	81,284	261	47,872
Ground Maintenance	46,972	46,972	45,119	(1,853)	594
Insurance:					
Health	56,008	56,008	38,336	(17,672)	29,850
Unemployment Insurance	1,000	1,000	-	(1,000)	-
Dental and vision	2,131	2,131	1,285	(846)	961
Life	693	693	342	(351)	308
Contractual services:					
Accounting services	9,280	9,280	-	(9,280)	-
Engineering services	120,453	120,453	97,587	(22,866)	13,182
Legal fees	5,000	5,000	6,912	1,912	439
Medical services and supplies	500	500	-	(500)	-
Other professional services	2,500	2,500	24,875	22,375	90,000
Postage expenses	1,500	1,500	500	(1,000)	500
Telephone	6,000	6,000	3,801	(2,199)	4,679
Printing/publishing	1,000	1,000	156	(844)	338
Dues/subscriptions	4,000	4,000	3,680	(320)	3,500
Training/travel expense	1,000	1,000	1,769	769	-
Gas	10,000	10,000	5,539	(4,461)	5,402
Electricity	35,000	35,000	18,219	(16,781)	25,025
Insurance liability	21,000	21,000	20,709	(291)	18,238
Commodities:					
Maintenance:					
Buildings	7,000	7,000	14,232	7,232	4,072
Equipment	12,000	12,000	9,491	(2,509)	4,357
Vehicles	15,000	15,000	1,395	(13,605)	1,104
Grounds	10,000	10,000	370	(9,630)	1,579
Office supplies	3,500	3,500	625	(2,875)	2,950
Operating supplies	2,000	2,000	746	(1,254)	494
Tools and small equipment	500	500	190	(310)	31
Janitorial supplies	2,000	2,000	401	(1,599)	474
Gasoline/diesel/oil/lubricants	9,000	9,000	2,964	(6,036)	2,139
Aviation fuel	425,000	425,000	290,219	(134,781)	236,231
Fuel sales tax	30,000	30,000	24,032	(5,968)	19,016

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, 2023
 (With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating expenses (continued):					
Capital outlay:					
Buildings & improvements	5,000	5,000	-	(5,000)	-
Land purchase & improv.	1,000	1,000	-	(1,000)	-
T-hangar const. & improv.	27,886	27,886	-	(27,886)	-
Equipment purchase/lease	5,000	5,000	6,186	1,186	318,589
Vehicle purchase/lease	-	5,000	5,000	-	-
Runway improvements	74,103	74,103	-	(74,103)	19,735
Other expenses:					
Miscellaneous expenses	4,000	4,000	1,666	(2,334)	9,280
Bank/credit card fees	6,000	6,000	5,551	(449)	7,409
Depreciation expense	-	-	86,403	86,403	86,403
Total operating expense	1,100,474	1,105,474	889,360	(216,114)	1,008,771
Operating income (loss)	(268,400)	(273,400)	(162,971)	110,429	(453,861)
Nonoperating income (expense):					
Federal and state grants	76,000	76,000	-	(76,000)	69,996
Interest income	180	180	1,132	952	145
Interest expense	-	-	(1,768)	(1,768)	(2,650)
Total nonoperating income (expense)	76,180	76,180	(636)	(76,816)	67,491
Income (loss) before transfers	(192,220)	(197,220)	(163,607)	33,613	(386,370)
Transfers:					
From General Fund	300,000	300,000	-	(300,000)	100,000
Total transfers	300,000	300,000	-	(300,000)	100,000
Change in net position	\$ 107,780	102,780	(163,607)	(266,387)	(286,370)
Net position, beginning of year			1,799,204		2,085,574
Net position, end of year			1,635,597		1,799,204

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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating income:					
Miscellaneous income	\$ -	-	-	-	-
Operating expenses:					
Depreciation expense	-	-	17,449	17,449	17,449
Total operating expenses	-	-	17,449	17,449	17,449
Operating income (loss)	\$ -	-	(17,449)	(17,449)	(17,449)
Net position, beginning of year			3,646,728		3,664,177
Net position, end of year			3,629,279		3,646,728

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, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating revenues:					
Garbage collection fees	\$ 1,315,895	1,315,895	1,319,253	3,358	1,295,910
Miscellaneous income	1,000	1,000	-	(1,000)	1,191
Total operating revenues	<u>1,316,895</u>	<u>1,316,895</u>	<u>1,319,253</u>	<u>2,358</u>	<u>1,297,101</u>
Operating expenses:					
Garbage disposal expense	1,315,046	1,401,201	1,296,407	(104,794)	1,266,866
Miscellaneous expenses	4,000	4,000	2,510	(1,490)	3,741
Total operating expenses	<u>1,319,046</u>	<u>1,405,201</u>	<u>1,298,917</u>	<u>(106,284)</u>	<u>1,270,607</u>
Operating income (loss)	<u>(2,151)</u>	<u>(88,306)</u>	<u>20,336</u>	<u>108,642</u>	<u>26,494</u>
Non-operating income (expense):					
Interest income	175	175	2,509	2,334	188
Total non-operating income (expense):	<u>175</u>	<u>175</u>	<u>2,509</u>	<u>2,334</u>	<u>188</u>
Change in net position	<u>\$ (1,976)</u>	<u>(88,131)</u>	<u>22,845</u>	<u>110,976</u>	<u>26,682</u>
Net position, beginning of year			<u>294,230</u>		<u>267,548</u>
Net position, end of year			<u><u>317,075</u></u>		<u><u>294,230</u></u>

CITY OF MORRIS, ILLINOIS
POLICE PENSION TRUST FUND

SCHEDULE G

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	Year Ended April 30,	
	2023	2022
Additions		
Contributions:		
Employer	\$ 1,349,129	1,304,327
Employee	239,791	256,132
Total contributions	1,588,920	1,560,459
Investment earnings:		
Net (decrease) increase in fair value of investments	332,777	(244,434)
Interest and dividends	350,496	259,093
Total investment earnings	683,273	14,659
Less investment expenses:		
Investment management fees	(47,391)	(64,348)
Net investment income	635,882	(49,689)
Total additions	2,224,802	1,510,770
Deductions		
Benefits paid	1,446,795	1,306,023
Refunds to participants	169,754	109,320
Administrative expense	38,877	18,316
Total deductions	1,655,426	1,433,659
Change in net position	569,376	77,111
Net position, beginning of year	20,613,439	20,536,328
Net position, end of year	\$ 21,182,815	20,613,439

CITY OF MORRIS, ILLINOIS
 CUSTODIAL FUND

SCHEDULE H-1

Combining Statement of Net Position
 April 30, 2023
 (With Comparative Figures for April 30, 2022)

	Security Deposit Trust Fund Totals	
	2023	2022
<u>Assets</u>		
Cash and cash equivalents	\$ 151,679	216,481
<u>Liabilities</u>		
Payable to other governments	-	500
Security deposits payable	151,679	215,981
Total liabilities	151,679	216,481
<u>Net Position</u>		
Unrestricted	\$ -	-

**CITY OF MORRIS, ILLINOIS
CUSTODIAL FUND**

SCHEDULE H-2

**Combining Statement of Changes in Assets and Liabilities
April 30, 2023
(With Comparative Figures for April 30, 2022)**

	Security Deposit Trust Fund Totals	
	2023	2022
Additions:		
Security deposits	\$ 18,040	543,266
Interest income	1,044	275
Total additions	19,084	543,541
Deductions:		
Refund of deposits & fees	83,886	494,179
Total deductions	83,886	494,179
Change in assets & liabilities	(64,802)	49,362
Assets & liabilities - beginning	216,481	167,119
Assets & liabilities - ending	\$ 151,679	216,481

CITY OF MORRIS, ILLINOIS
GENERAL FUND

SCHEDULE I-1

Expenditures - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Finance and administration:					
Personnel:					
Salaries:					
Mayor	\$ 107,465	107,465	112,257	4,792	101,985
Liquor Commissioner	10,000	10,000	10,027	27	9,771
Community Liaison/PIO	-	-	-	-	64,460
Community Affairs	41,600	41,600	47,295	5,695	557
Mayor's Secretary	70,801	70,801	72,355	1,554	66,450
Aldermen	48,000	48,000	43,200	(4,800)	42,094
Aldermen - Committee Mtg	8,000	8,000	3,525	(4,475)	5,652
City Clerk	93,614	93,614	97,788	4,174	88,840
Budget Officer	17,500	17,500	17,548	48	17,099
Treasurer	3,500	3,500	3,500	-	3,500
Deputy Treasurer	91,500	91,500	86,966	(4,534)	71,076
Building and Zoning Officer	93,347	93,347	94,593	1,246	87,748
Director of Public Works	110,650	110,650	113,849	3,199	104,323
Public Works Secretary	53,786	53,786	53,870	84	50,852
Custodian	41,382	41,382	40,943	(439)	39,004
Fire Marshall	36,400	36,400	36,400	-	34,104
Deputy City Clerk F&A	72,719	72,719	74,577	1,858	68,692
Human Resource Admin.	30,542	30,542	31,362	820	30,545
Summer Clerical	7,500	7,500	6,585	(915)	-
Zoning Board of Appeals	2,000	2,000	575	(1,425)	317
Planning Commission	2,000	2,000	1,590	(410)	1,432
Police Commission	2,000	2,000	675	(1,325)	902
Insurance:					
Health	450,000	450,000	325,931	(124,069)	357,249
Dental and vision	19,669	19,669	14,537	(5,132)	15,734
Life	4,881	4,881	4,261	(620)	3,817
Unemployment	1,000	1,000	-	(1,000)	-
Contractual services:					
Accounting service	37,120	37,120	19,794	(17,326)	25,638
Engineering service	100,000	100,000	43,224	(56,776)	90,431
Legal service	300,000	300,000	268,255	(31,745)	292,349
Medical service & supplies	1,000	1,000	-	(1,000)	-
Data processing/internet	60,000	60,000	42,904	(17,096)	13,808
Other professional services	45,000	45,000	60,358	15,358	26,574
Building inspector fee	20,000	20,000	27,485	7,485	19,342
Plumbing inspector fee	10,000	10,000	8,255	(1,745)	7,350
Electrical inspector fee	1,000	1,000	-	(1,000)	-
Postage and meter expense	7,500	7,500	3,480	(4,020)	3,027
Telephone	46,000	46,000	45,859	(141)	25,852
Cell phone	1,000	1,000	1,370	370	424
Printing/publishing	15,000	15,000	13,684	(1,316)	9,672
Dues/subscriptions	50,000	50,000	47,277	(2,723)	39,587
Training/travel expense	6,500	6,500	3,194	(3,306)	4,307
Codification services	15,000	15,000	10,650	(4,350)	9,090
Building & zoning expense	3,500	3,500	3,086	(414)	743
Police/fire commission	20,000	20,000	19,183	(817)	21,651
Gas	1,000	1,000	-	(1,000)	-
Insurance	225,000	225,000	214,195	(10,805)	192,314
Copier machine rental	10,000	10,000	6,679	(3,321)	7,356

CITY OF MORRIS, ILLINOIS
GENERAL FUND

SCHEDULE I-1
(CONTINUED)

Expenditures - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Finance and administration (continued):					
Commodities:					
Maintenance:					
Building	\$ 60,000	60,000	44,130	(15,870)	40,562
Equipment	10,000	10,000	5,325	(4,675)	4,292
Grounds	12,000	12,000	6,660	(5,340)	9,211
Office supplies	25,000	25,000	7,149	(17,851)	15,214
Operating supplies	3,000	3,000	2,356	(644)	1,797
Janitorial supplies	4,000	4,000	3,823	(177)	3,593
Books and periodicals	100	100	-	(100)	-
Capital outlay:					
Equipment	10,000	10,000	-	(10,000)	-
Furniture	20,000	20,000	791	(19,209)	972
Computer equipment	70,000	70,000	19,428	(50,572)	29,283
Other expenditures:					
Replacement tax disbursement	-	-	70,543	70,543	53,813
Sales tax reimbursement	1,470,000	1,470,000	2,629,843	1,159,843	1,747,467
Memorials	100	100	-	(100)	75
Donations	407,000	407,000	421,564	14,564	424,799
Miscellaneous expense	20,000	20,000	13,331	(6,669)	8,940
Total finance and administration	4,505,676	4,505,676	5,358,084	852,408	4,395,736
Police department:					
Personnel:					
Salaries:					
Chief of Police	126,513	126,513	126,305	(208)	171,550
Deputy Chief	113,395	113,395	115,069	1,674	208,991
Sergeants	416,658	416,658	420,908	4,250	503,512
Patrol Persons	1,836,591	1,836,591	1,687,306	(149,285)	1,856,396
Part-time Patrol Persons	85,000	85,000	60,380	(24,620)	39,194
DC Investigations	106,080	106,080	109,569	3,489	-
Police FOIA Officer	7,500	7,500	7,294	(206)	7,522
Police Secretary	58,416	58,416	58,681	265	56,442
Admin. Assistant Investigation	23,363	23,363	1,666	(21,697)	-
Computer Operator	40,269	40,269	41,231	962	60,566
Ordinance Enforcer	52,208	52,208	52,721	513	50,717
School Crossing Guards	72,225	72,225	68,883	(3,342)	63,990
Records and Technology	74,991	74,991	75,410	419	72,516
Sick Time/Benefit Payout	63,800	63,800	67,717	3,917	-
Overtime/Holiday Pay	503,926	503,926	565,996	62,070	5,671
Insurance Benefits:					
Health	1,374,605	1,374,605	981,348	(393,257)	994,552
Dental and vision	58,680	58,680	39,840	(18,840)	42,906
Life	11,286	11,286	8,630	(2,656)	9,367
Unemployment	1,000	1,000	-	(1,000)	-
Deferred compensation	16,500	16,500	11,617	(4,883)	12,083
Pension contributions	1,349,129	1,349,129	1,349,129	-	1,304,327
Uniform expense	34,000	34,000	33,904	(96)	25,709
Contractual services:					
Legal Fees	10,000	10,000	31,910	21,910	-
First Responder Wellness Check Mandate	6,000	6,000	1,800	(4,200)	-
Medical service - arrestees	3,500	3,500	-	(3,500)	3,324
Data processing service	120,000	120,000	93,396	(26,604)	1,995
Dispatcher agreement	420,000	420,000	253,799	(166,201)	424,587
Mobile DataTerminal Internet Service	10,000	10,000	8,329	(1,671)	-
Postage and meter expense	3,200	3,200	1,527	(1,673)	1,500
Cell phone	3,800	3,800	4,079	279	1,431
Printing/publishing	3,800	3,800	4,967	1,167	2,319
LEADS expense	-	-	-	-	6,123

CITY OF MORRIS, ILLINOIS
GENERAL FUND

SCHEDULE I-1
(CONTINUED)

Expenditures - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Police department (continued):					
Contractual services (continued):					
Dues/subscriptions	\$ 22,000	22,000	6,696	(15,304)	46,607
Training/travel expense	65,000	65,000	35,703	(29,297)	34,522
Tuition reimbursement	3,000	3,000	-	(3,000)	-
Investigation expense	4,000	4,000	18,698	14,698	5,851
Booking/processing expense	4,000	4,000	555	(3,445)	231
Copier machine rental	5,408	5,408	4,937	(471)	4,344
Commodities:					
Maintenance:					
Building	15,000	15,000	10,493	(4,507)	438
Equipment	6,500	6,500	4,745	(1,755)	2,546
Vehicles	24,000	24,000	32,763	8,763	16,205
Communication equip.	15,000	15,000	5,219	(9,781)	1,590
Office supplies	6,000	6,000	6,391	391	21,122
Operating supplies	3,500	3,500	2,737	(763)	2,714
Janitorial supplies	4,300	4,300	2,972	(1,328)	3,415
Gas / oil / lubricants	90,000	90,000	83,320	(6,680)	68,214
DARE supplies	-	-	-	-	2,806
Drug law & crime prevention	-	-	-	-	1,000
Awards	1,300	1,300	508	(792)	623
School Crossing Guard Supplies	300	300	28	(272)	-
Books and periodicals	1,000	1,000	684	(316)	-
Capital outlay:					
Equipment	92,000	92,000	58,328	(33,672)	49,338
Vehicles	110,000	110,000	101,190	(8,810)	120,569
Furniture	2,400	2,400	1,566	(834)	1,927
Communication equipment	20,000	20,000	21,973	1,973	30,000
Computer equipment	45,000	45,000	20,693	(24,307)	36,295
Other expenditures:					
Miscellaneous expense	12,500	12,500	6,740	(5,760)	3,939
Animal control	16,000	16,000	15,532	(468)	12,920
M.A.N.S. expense	1,000	1,000	-	(1,000)	-
Total police department	7,575,643	7,575,643	6,725,882	(849,761)	6,394,506
Streets and alleys:					
Personnel:					
Salaries:					
Superintendent of Streets	100,207	100,207	101,194	987	95,987
Mechanic	81,037	81,037	82,723	1,686	79,531
Class A Operator	324,147	324,147	324,984	837	399,921
Class B Operator	76,024	76,024	82,102	6,078	74,762
Class A Laborer	433,430	433,430	441,298	7,868	221,959
Class B Laborer	206,357	206,357	188,208	(18,149)	338,899
Overtime	45,000	45,000	30,094	(14,906)	150
Insurance:					
Health	622,427	622,427	499,246	(123,181)	471,263
Dental and vision	23,546	23,546	19,359	(4,187)	19,878
Life	5,475	5,475	4,765	(710)	5,075
Unemployment	1,000	1,000	-	(1,000)	-
Deferred compensation	8,000	8,000	8,050	50	7,783

CITY OF MORRIS, ILLINOIS
GENERAL FUND

SCHEDULE I-1
(CONTINUED)

Expenditures - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Streets and alleys (continued):					
Contractual services:					
Engineering services	\$ 50,000	50,000	39,210	(10,790)	60,521
Medical service and testing	10,000	10,000	2,504	(7,496)	1,572
Other Professional Services	100,000	100,000	117,695	17,695	-
Cell phone	2,200	2,200	693	(1,507)	941
Printing/publishing	250	250	55	(195)	116
Training/travel expenses	2,500	2,500	140	(2,360)	1,717
Street light electricity	175,000	175,000	114,896	(60,104)	138,127
Rentals	10,000	10,000	2,032	(7,968)	-
Commodities:					
Maintenance:					
Buildings	10,000	10,000	2,812	(7,188)	1,689
Equipment	50,000	50,000	42,169	(7,831)	29,257
Vehicles	40,000	40,000	39,811	(189)	35,585
Streets	50,000	50,000	27,587	(22,413)	36,307
Traffic signals	105,000	105,000	95,618	(9,382)	77,904
Tree trimming	8,000	8,000	-	(8,000)	16,980
Street control	75,000	75,000	54,065	(20,935)	40,219
Street lights	50,000	50,000	97,586	47,586	32,438
Operating supplies	40,000	40,000	24,691	(15,309)	24,244
Tools and small equipment	15,000	15,000	3,785	(11,215)	2,360
Janitorial supplies	5,000	5,000	763	(4,237)	893
Gas / oil / lubricants	90,000	90,000	83,095	(6,905)	58,051
Capital outlay:					
Equipment	40,000	40,000	29,189	(10,811)	18,964
Vehicles	75,000	75,000	-	(75,000)	16,996
Street construction	25,000	25,000	36,487	11,487	163,829
Bridge construction	250,000	250,000	-	(250,000)	-
Storm sewer construction	30,000	30,000	1,159	(28,841)	6,321
Sidewalk construction	50,000	50,000	18,647	(31,353)	15,052
Street signs	15,000	15,000	11,319	(3,681)	2,813
Street lighting	25,000	25,000	6,128	(18,872)	-
Communication equipment	10,000	10,000	6,455	(3,545)	6,194
Other expenditures - misc.	12,000	12,000	5,719	(6,281)	956
Total streets and alleys	3,346,600	3,346,600	2,646,333	(700,267)	2,505,254
Parks department:					
Personnel:					
Salaries:					
Parks Leadsman	74,194	74,194	73,861	(333)	75,077
Asst. Parks Leadsman	72,238	72,238	72,989	751	72,746
Parks Laborer	137,613	137,613	138,194	581	71,139
Summer Maintenance	62,400	62,400	24,806	(37,594)	38,951
Overtime	5,000	5,000	3,593	(1,407)	-
Insurance:					
Health	213,000	213,000	96,128	(116,872)	100,049
Dental and vision	4,900	4,900	3,857	(1,043)	4,312
Life	1,120	1,120	821	(299)	925
Unemployment	1,000	1,000	-	(1,000)	-
Deferred compensation	2,000	2,000	2,450	450	1,850

CITY OF MORRIS, ILLINOIS
GENERAL FUND

SCHEDULE I-1
(CONTINUED)

Expenditures - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Parks department (continued):					
Contractual services:					
Engineering services	\$ 40,000	40,000	9,602	(30,398)	4,902
Electricity	15,000	15,000	14,327	(673)	12,187
Rentals	1,000	1,000	-	(1,000)	-
Commodities:					
Maintenance:					
Building	7,000	7,000	7,336	336	1,655
Equipment	25,000	25,000	11,933	(13,067)	8,894
Vehicles	5,000	5,000	437	(4,563)	4,905
Grounds	12,000	12,000	1,265	(10,735)	8,568
Tennis courts	3,000	3,000	6,218	3,218	-
Baseball fields	17,000	17,000	52,693	35,693	15,348
Operating supplies	10,000	10,000	4,870	(5,130)	5,368
Tools and small equipment	8,000	8,000	-	(8,000)	1,873
Janitorial supplies	3,000	3,000	836	(2,164)	1,304
Gas / oil / lubricants	28,000	28,000	14,412	(13,588)	9,823
Capital outlay:					
Park improvements	125,000	125,000	7,829	(117,171)	23,590
Equipment	25,000	25,000	21,855	(3,145)	11,161
Vehicles	25,000	25,000	-	(25,000)	16,996
Other expenditures - misc.	3,000	3,000	95	(2,905)	554
Total parks department	925,465	925,465	570,407	(355,058)	492,177
Swimming Pool:					
Personnel:					
Salaries:					
Management	30,774	30,774	29,544	(1,230)	27,554
Summer employees	103,000	103,000	68,601	(34,399)	53,338
Red cross	11,500	11,500	3,224	(8,276)	3,179
Contractual services:					
Engineering service	1,200	1,200	-	(1,200)	-
Printing/publishing	1,000	1,000	132	(868)	76
Dues/subscriptions	1,000	1,000	585	(415)	275
Gas	1,000	1,000	596	(404)	521
Commodities:					
Maintenance	5,000	5,000	4,603	(397)	2,920
Operating supplies	4,000	4,000	2,488	(1,512)	1,753
Tools and small equipment	1,500	1,500	78	(1,422)	222
Janitorial supplies	800	800	195	(605)	282
Chemicals	30,000	30,000	14,298	(15,702)	9,989
Capital outlay:					
Pool improvements	4,000	4,000	-	(4,000)	409
Equipment	7,500	7,500	6,054	(1,446)	11,566
Furniture Purchase	7,700	7,700	7,660	(40)	-
Other expenditures:					
Miscellaneous	5,000	5,000	3,537	(1,463)	1,275
Concession stand	15,000	15,000	7,052	(7,948)	6,117
Total swimming pool	229,974	229,974	148,647	(81,327)	119,476

CITY OF MORRIS, ILLINOIS
GENERAL FUND

SCHEDULE I-1
(CONTINUED)

Expenditures - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Senior Van:					
Personnel - salaries	\$ 13,000	13,000	13,166	166	12,460
Contractual - printing	500	500	-	(500)	69
Commodities:					
Maintenance	4,000	4,000	288	(3,712)	435
Gas / oil / lubricants	3,500	3,500	3,721	221	1,773
Capital outlay - vehicles	100	100	-	(100)	-
Other expenditures - misc.	1,000	1,000	-	(1,000)	-
Total senior van	22,100	22,100	17,175	(4,925)	14,737
Business Development:					
Printing/Publications	10,000	10,000	-	(10,000)	-
Dues and Subscriptions	2,500	2,500	-	(2,500)	-
Training/Traveling Exp	3,000	3,000	203	(2,797)	-
Office Supply/Equipment/Lease	1,000	1,000	20	(980)	-
Equipment Purchase/Lease	100	100	-	(100)	-
Furniture Purchase	500	500	-	(500)	-
Computer Equipment & Program Purchase	1,000	1,000	-	(1,000)	-
Miscellaneous Expense	3,000	3,000	657	(2,343)	-
Total Business Development	21,100	21,100	880	(20,220)	-
Provision for Contingencies	100,000	100,000	13,043	(86,957)	36,335
Total expenditures	16,726,558	16,726,558	15,480,451	(1,246,107)	13,958,221
Transfers to (from) other funds:					
Drug Fine and Forfeiture	-	-	(6,298)	(6,298)	-
Airport Operations	300,000	300,000	-	(300,000)	100,000
Police Pension	100,000	100,000	-	(100,000)	-
Total transfers to (from) other funds	400,000	400,000	(6,298)	(400,000)	100,000
Total General Fund	17,126,558	17,126,558	15,474,153	(1,646,107)	14,058,221
Summary by Function:					
Current:					
General government	4,526,776	4,526,776	5,351,788	825,012	4,401,816
Public safety	5,957,114	5,957,114	5,173,003	(784,111)	4,852,050
Public works	2,848,600	2,848,600	2,554,124	(294,476)	2,289,822
Culture and recreation	968,939	968,939	683,316	(285,623)	547,931
Employee retirement costs	1,349,129	1,349,129	1,349,129	-	1,304,327
Capital outlay	1,076,000	1,076,000	369,091	(706,909)	562,275
Total expenditures	16,726,558	16,726,558	15,480,451	(1,246,107)	13,958,221
Transfers to (from) other funds	400,000	400,000	(6,298)	(400,000)	100,000
Total General Fund	\$ 17,126,558	17,126,558	15,474,153	(1,646,107)	14,058,221

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

SCHEDULE I-2

Expenses - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Administrative department:					
Personal services:					
Salaries:					
Senior Water Clerk	\$ 30,342	30,342	31,491	1,149	29,343
Water Clerk	84,751	84,751	45,428	(39,323)	43,322
Human Resource Admin	2,000	2,000	-	(2,000)	-
Insurance:					
Health	59,759	59,759	41,890	(17,869)	44,390
Dental and vision	2,200	2,200	1,374	(826)	1,525
Life	600	600	547	(53)	879
Unemployment	100	100	-	(100)	-
Contractual services:					
Accounting service	15,405	15,405	15,925	520	16,475
Legal service	20,000	20,000	10,154	(9,846)	10,527
Technology and internet	5,000	5,000	-	(5,000)	4,632
Postage and meter expense	15,500	15,500	22,425	6,925	13,536
Telephone and alarms	10,000	10,000	36,548	26,548	20,319
Cell phone	4,000	4,000	3,682	(318)	3,342
Printing and publishing	7,000	7,000	4,590	(2,410)	4,148
Dues and subscriptions	2,000	2,000	148	(1,852)	363
Training and travel expense	1,000	1,000	-	(1,000)	100
Gas	40,000	40,000	20,654	(19,346)	25,277
Insurance	225,000	225,000	210,787	(14,213)	188,179
Rentals	1,000	1,000	-	(1,000)	-
Copier Machine Rental/Expenses	2,000	2,000	-	(2,000)	-
Commodities:					
Office supplies	20,000	20,000	3,377	(16,623)	7,059
Operating supplies	1,000	1,000	-	(1,000)	-
Capital outlay:					
Equipment	3,000	3,000	-	(3,000)	-
Computers and programs	70,000	70,000	22,205	(47,795)	15,934
Other expenses:					
Fees	40,000	40,000	30,137	(9,863)	30,782
Water refunds	2,000	2,000	-	(2,000)	-
Miscellaneous expenses	4,000	4,000	1,353	(2,647)	7,138
Total administrative department	667,657	667,657	502,715	(164,942)	467,270
Water department:					
Personal services:					
Salaries:					
Water foreman	99,816	99,816	108,833	9,017	95,665
Assistant foreman	89,059	89,059	93,941	4,882	90,534
Class A	81,037	81,037	75,057	(5,980)	82,473
Class B	149,013	149,013	97,507	(51,506)	82,830
Class C	144,477	144,477	142,766	(1,711)	208,889
Class D	10,000	10,000	46,935	36,935	-
Overtime	30,000	30,000	26,949	(3,051)	149
Insurance:					
Health	233,299	233,299	197,754	(35,545)	187,195
Dental and vision	8,538	8,538	7,650	(888)	7,728
Life	1,992	1,992	1,892	(100)	2,021
VALIC - employer portion	2,200	2,200	1,650	(550)	2,017

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

SCHEDULE I-2
(Continued)

Expenses - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Water department (continued):					
Contractual services:					
Engineering services	\$ 220,000	220,000	255,566	35,566	30,454
Medical service and supplies	2,000	2,000	1,820	(180)	1,447
Technology	30,000	30,000	12,058	(17,942)	-
JULIE locate service	7,500	7,500	10,094	2,594	3,274
Training and travel expense	10,500	10,500	8,379	(2,121)	1,077
Electricity	225,000	225,000	142,195	(82,805)	200,089
Rental equipment	10,000	10,000	710	(9,290)	-
Copier machine rental	2,000	2,000	1,349	(651)	1,382
Commodities:					
Maintenance:					
Equipment	35,000	35,000	27,157	(7,843)	15,494
Meters	15,000	15,000	7,051	(7,949)	7,872
Vehicles	15,000	15,000	10,179	(4,821)	9,336
WTP and building	12,000	12,000	4,199	(7,801)	2,005
Water towers	10,000	10,000	14,303	4,303	140
Well houses	35,000	35,000	97	(34,903)	3,896
Water mains	40,000	40,000	20,953	(19,047)	25,152
Pumping equipment	17,000	17,000	5,891	(11,109)	4,200
Grounds	5,000	5,000	389	(4,611)	-
Office supplies & equipment	3,000	3,000	247	(2,753)	2,497
Operating supplies	15,000	15,000	8,389	(6,611)	16,211
Lab Testing, Samples & Supplies	6,000	6,000	6,190	190	-
Tools and small equipment	15,000	15,000	796	(14,204)	9,068
Janitorial supplies	1,000	1,000	536	(464)	421
Gas / oil / lubricant	50,000	50,000	28,262	(21,738)	20,148
Chemicals	70,000	70,000	48,140	(21,860)	35,751
Sodium chloride	275,000	275,000	215,786	(59,214)	174,415
Print & non-print materials	15,000	15,000	-	(15,000)	10,057
Capital outlay:					
WTP improvements	70,000	70,000	6,667	(63,333)	-
Equipment	155,000	155,000	40,923	(114,077)	14,882
Meters	400,000	400,000	360,202	(39,798)	307,001
Valves and hydrants	40,000	40,000	9,960	(30,040)	13,436
Hydra-stop equipment	8,000	8,000	373	(7,627)	1,148
Pumping equipment	35,000	35,000	-	(35,000)	-
Vehicles	75,000	75,000	-	(75,000)	-
Water main extensions	1,140,000	1,140,000	18,180	(1,121,820)	55,674
Water well construction	270,000	270,000	140,122	(129,878)	-
Water system control	1,500	1,500	-	(1,500)	-
Water towers	4,510,000	4,510,000	53,390	(4,456,610)	7,200
Furniture	1,000	1,000	-	(1,000)	-
Other expenses:					
Water analysis	13,000	13,000	4,692	(8,308)	5,645
Miscellaneous expenses	4,000	4,000	2,855	(1,145)	274
Loan Principle	300,000	300,000	-	(300,000)	-
Loan Interest	1,000,000	1,000,000	14,671	(985,329)	-
Total water department	10,012,931	10,012,931	2,283,705	(7,729,226)	1,739,147

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

SCHEDULE I-2
(Continued)

Expenses - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			2022	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Sewer department:					
Contractual services:					
Engineering services	\$ 343,000	343,000	84,677	(258,323)	109,228
Rental equipment	1,000	1,000	-	(1,000)	-
Commodities:					
Maintenance:					
Equipment	5,000	5,000	2,587	(2,413)	-
Sewer machine	10,000	10,000	4,290	(5,710)	7,757
Lift stations	22,000	22,000	6,698	(15,302)	2,027
Sewer mains	75,000	75,000	1,132	(73,868)	10,376
Capital outlay:					
Equipment	1,000	1,000	-	(1,000)	-
Manholes and grates	25,000	25,000	1,964	(23,036)	-
Sewer extensions	300,000	300,000	-	(300,000)	55,329
Lift stations	350,000	350,000	-	(350,000)	21,269
Other expenses	5,000	5,000	723	(4,277)	-
Total sewer department	1,137,000	1,137,000	102,071	(1,034,929)	205,986
Sewer treatment department:					
Personal services:					
Salaries:					
Operator	97,885	97,885	99,283	1,398	94,431
Operator 1	81,037	81,037	81,438	401	85,543
Lab assistant T4	150,259	150,259	151,633	1,374	151,036
Lab assistant T	61,859	61,859	63,666	1,807	62,675
Summer maintenance	9,000	9,000	-	(9,000)	7,615
Overtime	20,000	20,000	15,356	(4,644)	155
Insurance:					
Health	215,198	215,198	165,353	(49,845)	172,655
Dental and vision	9,043	9,043	6,476	(2,567)	7,234
Life	1,710	1,710	1,368	(342)	1,541
VALIC - employer portion	4,000	4,000	3,050	(950)	3,050
Contractual services:					
Engineering services	60,000	60,000	4,202	(55,798)	-
Engineering - NE STP	6,000	6,000	-	(6,000)	-
Medical service & supplies	1,500	1,500	222	(1,278)	124
Technology	6,000	6,000	4,509	(1,491)	-
Training/travel expense	4,000	4,000	3,325	(675)	-
Electricity - central	200,000	200,000	77,327	(122,673)	160,917
Electricity - NE STP	175,000	175,000	109,514	(65,486)	140,963
Sludge disposal expense	210,000	210,000	102,236	(107,764)	155,004
Copier machine rental	1,000	1,000	419	(581)	487
Commodities:					
Maintenance:					
Equipment	50,000	50,000	190,076	140,076	21,900
Vehicles	15,000	15,000	6,829	(8,171)	9,357
STP	15,000	15,000	25,771	10,771	7,155
Grounds	4,000	4,000	53	(3,947)	186

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

SCHEDULE I-2
(Continued)

Expenses - Budget and Actual
Year Ended April 30, 2023
(With Comparative Figures for the Year Ended April 30, 2022)

	2023			Variance with Final Budget	2022
	Budgeted Amounts		Actual		Actual
	Original	Final			
Sewer treatment department (continued):					
Commodities (continued):					
Office supplies and equip.	\$ 17,500	17,500	188	(17,312)	1,609
Operating supplies	6,000	6,000	534	(5,466)	2,740
Lab testing samples	30,000	30,000	14,231	(15,769)	11,869
Tools and small equipment	6,000	6,000	518	(5,482)	142
Janitorial supplies	1,200	1,200	733	(467)	755
Gasoline/diesel/oil/lubricants	40,000	40,000	20,024	(19,976)	17,723
Chemicals	8,000	8,000	6,586	(1,414)	3,926
Capital outlay:					
Sewer treatment plant	260,000	260,000	-	(260,000)	-
NE STP	80,000	80,000	-	(80,000)	-
Vehicles and equipment	1,000	1,000	-	(1,000)	-
Other expenses:					
IEPA/NPDES fees	75,000	75,000	30,500	(44,500)	30,845
Miscellaneous expenses	1,000	1,000	-	(1,000)	3,234
Total sewer treatment	1,923,191	1,923,191	1,185,420	(737,771)	1,154,871
Depreciation expense	-	-	812,359	812,359	1,094,477
Provision for Contingencies	100,000	100,000	-	(100,000)	-
Total expenses	13,840,779	13,840,779	4,886,270	(8,954,509)	4,661,751
Transfers:					
To Revenue Bond & Interest	538,610	538,610	538,583	(27)	535,000
To Capital Improvements	10,000	10,000	10,000	-	10,000
Total transfers	548,610	548,610	548,583	(27)	545,000
Total Operations & Maintenance	\$ 14,389,389	14,389,389	5,434,853	(8,954,536)	5,206,751
Summary by Function:					
Operating expenses:					
Personal services	\$ 1,679,174	1,679,174	1,509,287	(169,887)	1,464,895
Contractual services	1,862,405	1,862,405	1,143,515	(718,890)	1,091,344
Commodities	959,700	959,700	682,192	(277,508)	441,244
Capital outlay	7,795,500	7,795,500	653,986	(7,141,514)	491,873
Depreciation	-	-	812,359	812,359	1,094,477
Other expenses	1,544,000	1,544,000	84,931	(1,459,069)	77,918
Total operating expenses	13,840,779	13,840,779	4,886,270	(8,954,509)	4,661,751
Transfers to other accounts	548,610	548,610	548,583	(27)	545,000
Total Operations & Maintenance	\$ 14,389,389	14,389,389	5,434,853	(8,954,536)	5,206,751

SUPPLEMENTAL SECTION (UNAUDITED)

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

City of Morris

	Tax Year					
	2017	2018	2019	2020	2021	2022
Assessed valuations	\$ 284,942,500	329,474,997	344,806,898	344,712,482	374,047,299	415,770,738
Tax rates:						
General Corporate	0.0462	0.0605	0.0904	0.0843	0.10881	0.15275
Police Pension	0.4010	0.3702	0.3650	0.3784	0.36068	0.32107
Municipal Retirement	0.1081	0.1008	0.0900	0.0949	0.08437	0.05797
Social Security	0.0916	0.1027	0.1059	0.0863	0.08295	0.06952
Police Protection	0.0158	0.0228	0.0218	0.0218	0.02005	0.01804
Totals	0.6627	0.6570	0.6730	0.6656	0.6569	0.6194
Tax extensions:						
General Corporate	\$ 131,350	199,398	311,602	290,420	407,001	635,090
Police Pension	1,140,376	1,219,585	1,258,407	1,304,323	1,349,114	1,334,915
Municipal Retirement	307,403	332,012	310,257	327,236	315,584	241,022
Social Security	260,510	338,502	365,254	297,521	310,272	289,044
Police Protection	44,930	74,989	74,996	75,009	74,996	75,005
Total	1,884,569	2,164,486	2,320,516	2,294,510	2,456,967	2,575,076
Plus: Road & Bridge	80,725	61,055	65,561	47,019	58,275	62,712
Total Extensions	\$ 1,965,294	2,225,541	2,386,077	2,341,529	2,515,242	2,637,788
Tax Collections	\$ 1,942,505	2,166,144	2,252,466	2,332,876	2,415,511	-

TIF I:

	Tax Year				
	2018	2019	2020	2021	2022
Assessed valuation	\$ 63,839,338	67,494,734	66,992,697	71,515,957	78,744,608
Tax rate	0.65695	0.67299	0.65200	0.61946	0.61935
Tax Extension	\$ 5,022,601	5,295,548	5,272,692	5,530,343	5,999,265
Tax Collections	\$ 5,015,488	5,282,663	5,250,460	5,526,565	-

Marina TIF:

	Tax Year				
	2018	2019	2020	2021	2022
Assessed valuation	\$ 175,390	210,755	306,582	371,530	467,330
Tax rate	0.65695	0.67299	0.65200	0.61946	0.61935
Tax Extension	\$ 14,085	10,257	24,672	29,456	36,530
Tax Collections	\$ 13,085	15,835	23,109	27,473	-

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, 2023, 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 20, 2023.

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 2023-01, 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 20, 2023.

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 20, 2023



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CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on the Financial Statements

We have audited the basic financial statements of the City of Morris, Illinois, as of and for the year ended April 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated November 20, 2023.

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

Opinion

In our opinion, the City of Morris, Illinois complied, in all material respects, with the compliance requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142) for the year ended April 30, 2023.

Basis of Opinion

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

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

Responsibility of Management

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

Auditors' Responsibility

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

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

Mack & Associates, P. C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
November 20, 2023

CITY OF MORRIS, ILLINOIS

**Schedule of Findings and Responses
For the Year Ended April 30, 2023**

2023-01: 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
- Record retainage payable for construction in progress
- Reclassify and eliminate interfund payables and receivables
- Adjust accounts receivable regarding revenues received from the State
- Adjust accounts receivable regarding revenues received for Water and Sewer
- 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, 2023, the City began implementing this recommendation and had prepared the year end accruals for accounts payable and accrued wages. The City will book the 4/30/2023 audit journal entries provided and work towards preparing the remaining accruals in fiscal year 2024.