



PHILLIPS, SALMI + ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

**VILLAGE OF MORTON, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2024**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Village of Morton, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Morton, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Morton, Illinois as of April 30, 2024, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Village of Morton, 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Village of Morton, Illinois's basic financial statements. The combining statements and budgetary comparison information presented on pages 44 through 59 are the responsibility of management and were derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Information

The statistical schedules on pages 60 through 61 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

Other Reporting Required By Governmental Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report thereon dated October 29, 2024, on our consideration of the Village of Morton, 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 Village of Morton, Illinois' internal control over financial reporting and compliance.

Phillips, Salmi & Associates, LLC

October 29, 2024
Washington, Illinois



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 Board of Trustees
Village of Morton, 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 Village of Morton, Illinois as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Village of Morton, Illinois' basic financial statements and have issued our report thereon dated October 29, 2024. The Village of Morton, Illinois, prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Morton, 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 Village of Morton, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Morton, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Morton, 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*.

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.

Phillips, Salmi & Associates, LLC

October 29, 2024

VILLAGE OF MORTON, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
Year Ended April 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	\$ 21,581,681	\$ 19,835,661	\$ 41,417,342
Accounts receivable	363,455	127,957	491,412
Notes receivable	133,333	-	133,333
Inventories	44,435	882,871	927,306
Total Current Assets	<u>22,122,904</u>	<u>20,846,489</u>	<u>42,969,393</u>
Noncurrent assets			
Notes receivable	666,670	-	666,670
Capital Assets:			
Non-depreciable	4,098,931	7,530,541	11,629,472
Depreciable, net	41,205,657	47,677,778	88,883,435
Total Noncurrent Assets	<u>45,971,258</u>	<u>55,208,319</u>	<u>101,179,577</u>
Total Assets	<u>\$ 68,094,162</u>	<u>\$ 76,054,808</u>	<u>\$ 144,148,970</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	\$ -	\$ 33,555	\$ 33,555
Accrued liabilities	79,550	-	79,550
Customer deposits	26,817	132,635	159,452
Current portion of note payable	133,333	-	133,333
Lease liability - due in one year	57,705	11,277	68,982
Total Current Liabilities	<u>297,405</u>	<u>177,467</u>	<u>474,872</u>
Non-Current Liabilities			
Notes payable after one year	666,670	-	666,670
Lease liability - due in more than one year	41,036	23,949	64,985
Total Non-Current Liabilities	<u>707,706</u>	<u>23,949</u>	<u>731,655</u>
Total Liabilities	<u>1,005,111</u>	<u>201,416</u>	<u>1,206,527</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	45,205,847	55,173,093	100,378,940
Restricted	5,837,625	-	5,837,625
Unrestricted	16,045,579	20,680,299	36,725,878
Total Net Position	<u>67,089,051</u>	<u>75,853,392</u>	<u>142,942,443</u>
	<u>\$ 68,094,162</u>	<u>\$ 76,054,808</u>	<u>\$ 144,148,970</u>

See Notes to Financial Statements.

VILLAGE OF MORTON, ILLINOIS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year Ended April 30, 2024

<u>FUNCTIONS/PROGRAMS:</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities				
General government	\$ 2,499,853	\$ 807,748	\$ 72,171	\$ -
Public works	202,932	16,697	-	-
Public safety	7,312,576	1,176,008	-	-
Transportation	6,466,305	-	-	-
Recreation	26,772	-	-	-
Total Governmental Activities	16,508,438	2,000,453	72,171	-
Business-Type Activities:				
Municipal gas	2,848,934	2,059,523	-	-
Water and sewer	6,197,371	6,907,307	-	-
Storm water	1,343,994	1,183,525	-	-
911 Consolidated Center	49,241	31,774	-	-
Total Business-Type Activities	10,439,540	10,182,129	-	-
Total Primary Government	\$ 26,947,978	\$ 12,182,582	\$ 72,171	\$ -

General Revenues

- Local taxes
- State taxes and allotments
- Interest and investment income
- Claims settlement
- Miscellaneous
- Loss on disposal of fixed assets

Total General Revenues, Special Items and Transfers

Change in Net Position

NET POSITION - BEGINNING

NET POSITION - ENDING

See Notes to Financial Statements.

**Net (Expense) Revenue and Changes
in Net Position - Primary Government**

Governmental Activities	Business-type Activities	Total
\$ (1,619,934)	\$ -	\$ (1,619,934)
(186,235)	-	(186,235)
(6,136,568)	-	(6,136,568)
(6,466,305)	-	(6,466,305)
(26,772)	-	(26,772)
(14,435,814)	-	(14,435,814)
-	(789,411)	(789,411)
-	709,936	709,936
-	(160,469)	(160,469)
-	(17,467)	(17,467)
-	(257,411)	(257,411)
(14,435,814)	(257,411)	(14,693,225)
2,173,034	-	2,173,034
13,447,211	-	13,447,211
430,113	1,142,235	1,572,348
-	6,271,577	6,271,577
98,903	86,047	184,950
(14,592)	-	(14,592)
16,134,669	7,499,859	23,634,528
1,698,855	7,242,448	8,941,303
65,390,196	68,610,944	134,001,140
\$ 67,089,051	\$ 75,853,392	\$ 142,942,443

VILLAGE OF MORTON, ILLINOIS
STATEMENT OF ASSETS, LIABILITIES, AND FUND EQUITY
MODIFIED CASH BASIS - GOVERNMENTAL FUND TYPES
Year Ended April 30, 2024

	<u>General</u>	<u>Motor Fuel</u>	<u>Business District Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 15,895,318	\$ 3,544,216	\$ 1,282,806	\$ 859,341	\$ 21,581,681
Accounts receivable	363,455	-	-	-	363,455
Inventory	44,435	-	-	-	44,435
	<u>\$ 16,303,208</u>	<u>\$ 3,544,216</u>	<u>\$ 1,282,806</u>	<u>\$ 859,341</u>	<u>\$ 21,989,571</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accrued liabilities	\$ 77,800	\$ -	\$ 1,750	\$ -	\$ 79,550
Customer deposits	26,817	-	-	-	26,817
	<u>104,617</u>	<u>-</u>	<u>1,750</u>	<u>-</u>	<u>106,367</u>
Fund Balances:					
Nonspendable:					
Inventory	44,435	-	-	-	44,435
Restricted for:					
General government	153,012	-	1,281,056	859,341	2,293,409
Transportation	-	3,544,216	-	-	3,544,216
Committed to:					
Public safety	6,324	-	-	-	6,324
Assigned for:					
Public safety	84,246	-	-	-	84,246
Transportation	102,423	-	-	-	102,423
Unassigned	15,808,151	-	-	-	15,808,151
	<u>16,198,591</u>	<u>3,544,216</u>	<u>1,281,056</u>	<u>859,341</u>	<u>21,883,204</u>
Total Liabilities & Fund Equity	<u>\$ 16,303,208</u>	<u>\$ 3,544,216</u>	<u>\$ 1,282,806</u>	<u>\$ 859,341</u>	<u>\$ 21,989,571</u>

See Notes to Financial Statements.

VILLAGE OF MORTON, ILLINOIS
RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES,
AND FUND EQUITY - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
Year Ended April 30, 2024

Total fund balance - total governmental funds		\$ 21,883,204
Amounts reported for governmental activities in the statement of net position are different because:		
Long-term receivables are not due and receivable in the current period and therefore are not reported in the governmental funds		800,003
Capital assets used in governmental activities are not reported in the governmental funds balance sheet		
Capital assets	95,243,085	
Less accumulated depreciation	<u>(49,999,125)</u>	45,243,960
The effect of various transactions involving lease assets, including amortization on those items		
Right of use assets, net	60,628	
Lease liability	<u>(98,741)</u>	(38,113)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds		<u>(800,003)</u>
Net Position of Governmental Activities		<u><u>\$ 67,089,051</u></u>

See Notes to Financial Statements.

VILLAGE OF MORTON, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
Year Ended April 30, 2024

	<u>General</u>	<u>Motor Fuel</u>	<u>Business District Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES RECEIVED</u>					
Local Taxes:					
Property tax	\$ 1,790,154	\$ -	\$ -	\$ 382,880	\$ 2,173,034
Sales tax	6,571,760	-	616,225	-	7,187,985
Income tax	2,802,302	-	-	-	2,802,302
Utility franchise tax	1,524,873	-	-	-	1,524,873
TV franchise tax	206,993	-	-	-	206,993
Telecommunications tax	199,155	-	-	-	199,155
Municipal hotel tax	-	-	-	346,276	346,276
Replacement tax	347,091	-	-	45,822	392,913
Motor fuel tax	-	786,714	-	-	786,714
Charges for service	1,712,112	-	-	-	1,712,112
Licenses and permits	218,899	-	-	-	218,899
Fines	69,442	-	-	-	69,442
Grant revenue	72,171	-	-	-	72,171
Other revenue	78,903	-	-	20,000	98,903
Investment revenue	307,567	88,640	18,385	15,521	430,113
Total Revenues Received	<u>15,901,422</u>	<u>875,354</u>	<u>634,610</u>	<u>810,499</u>	<u>18,221,885</u>
<u>EXPENDITURES DISBURSED</u>					
General government	1,268,678	-	59,683	762,849	2,091,210
Public works	194,678	-	-	-	194,678
Public safety	6,738,924	-	-	-	6,738,924
Transportation	3,788,421	300,353	-	-	4,088,774
Recreation	26,772	-	-	-	26,772
Capital outlay	2,410,731	-	2,673,821	-	5,084,552
Debt service:					
Principal repayment	171,898	-	-	-	171,898
Interest expense	989	-	-	-	989
Total Expenditures Disbursed	<u>14,601,091</u>	<u>300,353</u>	<u>2,733,504</u>	<u>762,849</u>	<u>18,397,797</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,300,331</u>	<u>575,001</u>	<u>(2,098,894)</u>	<u>47,650</u>	<u>(175,912)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating transfers in	50,000	-	-	-	50,000
Operating transfers out	-	-	-	(50,000)	(50,000)
Proceeds from sale of capital assets	133,333	-	1,873,359	-	2,006,692
Total Other Financing Sources (Uses)	<u>183,333</u>	<u>-</u>	<u>1,873,359</u>	<u>(50,000)</u>	<u>2,006,692</u>
Change in Fund Balance	1,483,664	575,001	(225,535)	(2,350)	1,830,780
FUND BALANCE - BEGINNING	<u>14,714,927</u>	<u>2,969,215</u>	<u>1,506,591</u>	<u>861,691</u>	<u>20,052,424</u>
FUND BALANCE - ENDING	<u>\$ 16,198,591</u>	<u>\$ 3,544,216</u>	<u>\$ 1,281,056</u>	<u>\$ 859,341</u>	<u>\$ 21,883,204</u>

See Notes to Financial Statements.

VILLAGE OF MORTON, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended April 30, 2024

Net change in fund balances - total governmental funds		\$ 1,830,780
Amounts reported for governmental activities in the statement of activities are different because:		
Repayment of notes receivable related to capital assets are reported as proceeds from the sale of assets in the governmental funds, but the repayment reduces the notes receivable asset in the Statement of Net Position.		(2,006,692)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 5,084,552	
Loss on assets sold	(14,592)	
Depreciation expense	<u>(3,306,160)</u>	
		1,763,800
The effect of various transactions involving lease assets, including amortization on those items.		
Amortization of lease		(60,931)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		<u>171,898</u>
Change in Net Position of Governmental Activities		<u><u>\$ 1,698,855</u></u>

See Notes to Financial Statements.

VILLAGE OF MORTON, ILLINOIS
STATEMENT OF NET POSITION -
MODIFIED CASH BASIS - PROPRIETARY FUNDS
Year Ended April 30, 2024

	Municipal Gas Fund	Water and Wastewater Fund	Storm Water Fund	911 Consolidated Center Fund	Total
<u>ASSETS</u>					
Cash and cash equivalents	\$ 13,411,815	\$ 5,087,136	\$ 1,335,960	\$ 750	\$ 19,835,661
Accounts receivable	52,078	53,277	22,602	-	127,957
Inventories	882,871	-	-	-	882,871
Total Current Assets	<u>14,346,764</u>	<u>5,140,413</u>	<u>1,358,562</u>	<u>750</u>	<u>20,846,489</u>
Non Current Assets					
Capital Assets:					
Land	1,150,120	299,999	-	-	1,450,119
Construction in progress	6,068,422	12,000	-	-	6,080,422
Capital assets, net depreciation	1,626,629	35,465,536	10,115,061	436,670	47,643,896
	<u>8,845,171</u>	<u>35,777,535</u>	<u>10,115,061</u>	<u>436,670</u>	<u>55,174,437</u>
Lease Assets:					
Costs	18,824	37,648	-	-	56,472
Accumulated amortization	(7,530)	(15,060)	-	-	(22,590)
	<u>11,294</u>	<u>22,588</u>	<u>-</u>	<u>-</u>	<u>33,882</u>
Total Non Current Assets	<u>8,856,465</u>	<u>35,800,123</u>	<u>10,115,061</u>	<u>436,670</u>	<u>55,208,319</u>
Total Assets	<u>\$ 23,203,229</u>	<u>\$ 40,940,536</u>	<u>\$ 11,473,623</u>	<u>\$ 437,420</u>	<u>\$ 76,054,808</u>
<u>LIABILITIES AND NET POSITION</u>					
Current liabilities (payable from current assets):					
Accounts payable	\$ 33,555	\$ -	\$ -	\$ -	\$ 33,555
Customer deposits	92,325	40,310	-	-	132,635
Lease liability	11,742	23,484	-	-	35,226
Total Liabilities	<u>137,622</u>	<u>63,794</u>	<u>-</u>	<u>-</u>	<u>201,416</u>
Net Position:					
Invested in capital assets net of related debt	8,844,723	35,776,639	10,115,061	436,670	55,173,093
Unrestricted	14,220,884	5,100,103	1,358,562	750	20,680,299
Total Net Position	<u>23,065,607</u>	<u>40,876,742</u>	<u>11,473,623</u>	<u>437,420</u>	<u>75,853,392</u>
Total Liabilities and Net Position	<u>\$ 23,203,229</u>	<u>\$ 40,940,536</u>	<u>\$ 11,473,623</u>	<u>\$ 437,420</u>	<u>\$ 76,054,808</u>

See Notes to Financial Statements.

VILLAGE OF MORTON, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
MODIFIED CASH BASIS - PROPRIETARY FUNDS
Year Ended April 30, 2024

	Municipal Gas Fund	Water and Wastewater Fund	Storm Water Fund	911 Consolidated Center Fund	Total Enterprise Funds
<u>OPERATING REVENUES</u>					
Charges for service and sales	\$ 9,449,137	\$ 6,869,002	\$ 1,183,525	\$ 31,774	\$ 17,533,438
less: cost of gas	(7,483,427)	-	-	-	(7,483,427)
Gross profit	1,965,710	6,869,002	1,183,525	31,774	10,050,011
Penalties and fees	93,813	38,305	-	-	132,118
Total Operating Revenues	<u>2,059,523</u>	<u>6,907,307</u>	<u>1,183,525</u>	<u>31,774</u>	<u>10,182,129</u>
<u>OPERATING EXPENSES</u>					
Personnel	1,142,409	2,056,337	205,452	-	3,404,198
Contractual services	1,284,473	2,159,796	664,426	31,774	4,140,469
Commodities	259,873	878,709	42,853	-	1,181,435
Other	2,642	30,709	1,500	-	34,851
Depreciation	155,189	1,063,124	429,763	17,467	1,665,543
Lease amortization	3,765	7,530	-	-	11,295
Total Operating Expenses	<u>2,848,351</u>	<u>6,196,205</u>	<u>1,343,994</u>	<u>49,241</u>	<u>10,437,791</u>
Operating Income (Loss)	<u>(788,828)</u>	<u>711,102</u>	<u>(160,469)</u>	<u>(17,467)</u>	<u>(255,662)</u>
<u>NONOPERATING REVENUES & (EXPENSES)</u>					
Interest income	1,001,635	118,797	21,803	-	1,142,235
Interest expense	(583)	(1,166)	-	-	(1,749)
Other revenue	77,546	6,813	1,688	-	86,047
Claims settlement	6,271,577	-	-	-	6,271,577
Total Nonoperating Revenue & (Expenses)	<u>7,350,175</u>	<u>124,444</u>	<u>23,491</u>	<u>-</u>	<u>7,498,110</u>
Change in Net Position	<u>6,561,347</u>	<u>835,546</u>	<u>(136,978)</u>	<u>(17,467)</u>	<u>7,242,448</u>
NET POSITION - BEGINNING	<u>16,504,260</u>	<u>40,041,196</u>	<u>11,610,601</u>	<u>454,887</u>	<u>68,610,944</u>
NET POSITION - ENDING	<u>\$ 23,065,607</u>	<u>\$ 40,876,742</u>	<u>\$ 11,473,623</u>	<u>\$ 437,420</u>	<u>\$ 75,853,392</u>

See Notes to Financial Statements.

VILLAGE OF MORTON, ILLINOIS
STATEMENT OF CASH FLOWS -
MODIFIED CASH BASIS - PROPRIETARY FUNDS
Year Ended April 30, 2024

	Municipal Gas Fund	Water and Wastewater Fund	Storm Water Fund	911 Consolidated Center Fund	Total Enterprise Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash received from customers	\$ 9,640,419	\$ 6,874,155	\$ 1,187,863	\$ 31,774	\$ 17,734,211
Other cash receipts	93,813	38,305	-	-	132,118
Cash payments to suppliers for goods & services	(9,363,140)	(4,082,456)	(786,077)	(31,774)	(14,263,447)
Cash payments to employees for services	(836,489)	(1,050,625)	(128,154)	-	(2,015,268)
Net Cash Provided by (Used by) Operating Activities	(465,397)	1,779,379	273,632	-	1,587,614
<u>CAPITAL FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Nonoperating miscellaneous income	77,546	6,813	1,688	-	86,047
Claims settlement	6,271,577	-	-	-	6,271,577
Net Cash Provided by Noncapital Financing Activities	6,349,123	6,813	1,688	-	6,357,624
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Purchase of capital assets	(5,232,271)	(1,961,589)	(372,831)	-	(7,566,691)
Changes in lease asset/liability	(430)	(860)	-	-	(1,290)
Net Cash Used by Capital and Related Financing Activities	(5,232,701)	(1,962,449)	(372,831)	-	(7,567,981)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Interest income received	1,001,635	118,797	21,803	-	1,142,235
Net Change in Cash and Cash Equivalents	1,652,660	(57,460)	(75,708)	-	1,519,492
CASH AND CASH EQUIVALENTS - BEGINNING	11,759,155	5,144,596	1,411,668	750	18,316,169
CASH AND CASH EQUIVALENTS - ENDING	\$ 13,411,815	\$ 5,087,136	\$ 1,335,960	\$ 750	\$ 19,835,661

See Notes to Financial Statements.

VILLAGE OF MORTON, ILLINOIS
STATEMENT OF CASH FLOWS -
MODIFIED CASH BASIS - PROPRIETARY FUNDS
Year Ended April 30, 2024

	<u>Municipal Gas Fund</u>	<u>Water and Wastewater Fund</u>	<u>Storm Water Fund</u>	<u>911 Consolidated Center Fund</u>	<u>Total Enterprise Funds</u>
RECONCILIATION OF OPERATING					
INCOME (LOSS) TO NET CASH PROVIDED					
BY (USED BY) OPERATING ACTIVITIES:					
Operating income (loss)	\$ (788,828)	\$ 711,102	\$ (160,469)	\$ (17,467)	\$ (255,662)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	155,189	1,063,124	429,763	17,467	1,665,543
Change in assets and liabilities:					
(Increase) decrease in assets					
Accounts receivable	192,369	4,933	4,338	-	201,640
Inventory	(14,758)	-	-	-	(14,758)
Increase in liabilities					
Accounts payable	(8,282)	-	-	-	(8,282)
Customer Deposits	(1,087)	220	-	-	(867)
Total Adjustments	<u>323,431</u>	<u>1,068,277</u>	<u>434,101</u>	<u>17,467</u>	<u>1,843,276</u>
Net Cash Provided by (Used by) Operating Activities	<u>\$ (465,397)</u>	<u>\$ 1,779,379</u>	<u>\$ 273,632</u>	<u>\$ -</u>	<u>\$ 1,587,614</u>

See Notes to Financial Statements.

VILLAGE OF MORTON, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended April 30, 2024

	<u>Pension Trust Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,822,176
Investments	<u>17,415,123</u>
 Total Assets	 <u>\$ 19,237,299</u>
 <u>NET POSITION HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES</u>	 <u>\$ 19,237,299</u>

See Notes to Financial Statements.

VILLAGE OF MORTON, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended April 30, 2024

	<u>Total Pension Trust Funds</u>
<u>ADDITIONS</u>	
Employer contributions	
Property tax	\$ 310,879
Replacement tax	173,478
Plan members' contributions	233,909
Interest income	167,117
Investment earnings	<u>1,414,406</u>
 Total Additions	 <u>2,299,789</u>
<u>DEDUCTIONS</u>	
Benefits paid	1,078,942
Refund of contributions	7,102
Administrative expenses	<u>24,057</u>
 Total Deductions	 <u>1,110,101</u>
 Net Increase	 1,189,688
 NET POSITION HELD IN TRUST	
FOR PENSION BENEFITS	
AND OTHER PURPOSES	
BEGINNING	<u>18,047,611</u>
 ENDING	 <u><u>\$ 19,237,299</u></u>

See Notes to Financial Statements.

VILLAGE OF MORTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Morton is a governmental entity located in central Illinois. Revenues are substantially generated as a result of taxes assessed and allocated to the Village of Morton (examples would be property taxes, sales taxes, income taxes, and motor fuel taxes) and charges for services performed for constituents of the Village. The Village of Morton's revenues are therefore primarily dependent on the economy within its territorial boundaries. The Village operates under an elected Major-Board form of government. The Village's major operations include maintaining the Village hall; municipal gas, waterworks, wastewater utilities; law enforcement; street construction and maintenance; and general administrative services.

The following is a summary of the significant accounting policies affecting the financial statement presentation.

A. FINANCIAL REPORTING ENTITY

For financial reporting purposes, the Village of Morton has included all funds, organizations, agencies, boards, commissions, and authorities for which the Village is financially accountable. The Village 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 Village are such that exclusion would cause the Village's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Village 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 Village. The Village of Morton has no component units.

B. BASIS OF PRESENTATION

Government – Wide Financial Statements

The basic financial statements include both government-wide (based on the Village as a whole) and fund financial statements. The government-wide financial statements (i.e., the Statement of Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely a significant extent on fees and charges for support.

The Statement of Activities - Modified Cash Basis demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meet the operation or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The accounts of the Village are organized on the basis of funds, each of which are considered a separate accounting entity. The operations of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund equity, cash receipts and disbursements. Village resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The focus of the fund financial statements is on major funds. All major individual governmental funds are reported as separate columns in the fund financial statements.

A fund is considered major if it is the primary operating fund of the Village or by meeting the following criteria:

- a. Total assets, liabilities, revenues, or expenditure/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total of the corresponding total for all governmental and enterprise funds combined.

Governmental Fund Types

The Village reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Village. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid for from the General Fund. During the year, the qualifications of the special revenue funds were reviewed. The Emergency Management Fund did not meet the qualifications of separate reporting special revenue fund and will be combined into the General Fund for the current and subsequent financial statements.

Motor Fuel Tax Fund - The Motor Fuel Tax Fund was established to account for the operations of the Village's Street Department in connection with road construction and maintenance projects as authorized by the Illinois Department of Transportation. Financing is provided by the Village's share of the Illinois state motor fuel tax.

Business District Tax Fund - The Business District Tax Fund accounts for the Business District Retailers' Occupation Tax and Business Service Occupation Tax imposed within the Morton Business District. This revenue is used to carry out the Morton Business Development and Redevelopment Plan.

The Village also reports other governmental funds, which are individually nonmajor in total. They are the Tourism and Convention Fund, Social Security Fund, and Illinois Municipal Retirement Fund.

Proprietary Fund Types

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing

body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The proprietary financial statements are also reported using the modified cash basis of accounting. Their revenues are recorded when received and expenses are recorded when paid.

The Village complies with all Financial Accounting Standards Board statements currently in effect for proprietary fund activities. The Village reports the following major proprietary funds:

Municipal Gas Fund - the Municipal Gas Fund was established to account for the provision of gas services to the residents and businesses of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, and billing collection.

Waterworks and Wastewater Fund - The Waterworks and Wastewater Fund was established to account for the provision of water and sewer services to the residents and businesses of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Storm Water Fund - The Storm Water Fund was established to account for the provision of storm water systems for the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

911 Consolidated Center Fund - The 911 Consolidated Center Fund was established to account for the construction of an addition to the police station to house a new 911 call center and to account for the rental revenues received from area municipalities for the use of the call center. All activities necessary to provide such services are accounted for in this fund.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Village's own programs. The Village reports the following fiduciary fund type:

Pension Trust Funds - The Pension Trust Funds account for the activities of the Police Pension and the Firemen Pension, which accumulate resources for pension benefit payments to qualified police and fire employees.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

Measurement Focus

In the Government-Wide Statement of Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as subsequently defined in item (b). The fund financial statements are presented using the current financial resources measurement focus or the economic resources measurement focus, as applied to the modified cash basis of accounting defined in (a) below:

- a. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an economic resources measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

Basis of Accounting

The financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues and certain liabilities and their related expenses or expenditures (such as expenses for goods or services received but not yet paid or other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the Village utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented in accordance with the accrual basis of accounting.

D. CASH, DEPOSITS, AND CASH EQUIVALENTS

Governmental Funds

Governmental funds record cash and certificates of deposits together and use the title "cash and deposits". Deposits are carried at cost. As of April 30, 2024, the Village did not have any certificates of deposit.

Proprietary Funds

Proprietary funds use the title "cash and cash equivalents". Cash equivalents consist of short-term, highly liquid investments which have a maturity term of three months or less. Cash equivalents include savings accounts and short-term certificates of deposit. Certificates of deposit with terms longer than three months are recorded as investments.

E. INTERFUND BALANCES AND TRANSFERS

Interfund balances and transfers are loans and transfers of money between the separate funds of the Village. In the process of aggregating the financial information for the Government-Wide Statement of Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis the internal balances and activity in the fund statements has been combined and eliminated or reclassified.

F. INVESTMENTS

Investments are stated at cost. As of April 30, 2024, the Village holds investments in the Police Pension Fund, which is part of the Fiduciary Pension Trust Funds. Further detail can be found at Note 4.

G. ACCOUNTS RECEIVABLE

The Village's accounts receivable results from bills sent to residents for services rendered that have yet to be received by the end of the fiscal year. Ambulance/paramedic customers and utility customers are billed monthly for the prior month's services plus penalties, if applicable. The Village uses the direct write off method for all of its accounts receivables.

H. INVENTORIES

The Village's inventories are valued at the lower of cost or market, which is determined using the first-in, first-out (FIFO) method. Cost is recorded at the time of purchase. In the General Fund inventories consist of gasoline held for consumption and recorded as an asset when purchases and expended when consumed. In the Municipal Gas Fund inventories consist of natural gas purchased for resale to Village residents. The natural gas is recorded as an asset when purchases and cost of sales when sold.

I. CAPITAL ASSETS

The Village's modified cash basis of accounting reports capital assets resulting from cash transactions or events and reports depreciation, when appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the Government-Wide financial statements, capital assets arising from cash transactions or events are accounted for as assets in the Statement of Net Position - Modified Cash Basis. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable.

Depreciation of exhaustible capital assets arising from cash transactions or events is recorded as an allocated expense in the Statement of Activities - Modified Cash Basis, with accumulated depreciation reflected in the Statement of Net Position - Modified Cash Basis. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the estimated useful lives as follows:

<u>Category of Asset</u>	<u>Threshold</u>	<u>Estimated Life</u>
Internal use software, computers, etc.	\$5,000	3 years
Furniture and fixtures	\$5,000	5-10 years
Machinery, vehicles, and equipment	\$10,000	5-10 years
Infrastructure	\$25,000	20-75 years
Building and building improvements	\$25,000	15-50 years
Land improvements	\$25,000	20-30 years

Fund Financial Statements

In the fund financial statements, capital assets arising from cash transactions or events acquired for use in governmental fund operations are accounting for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

J. ACCOUNTS PAYABLE AND CUSTOMER DEPOSITS

The balance the Village reports as account payable as of April 30, 2024 arises from taxes/fees based on customer services revenue which have not yet been paid as of the end of the fiscal year. The Village also reports customer deposit liabilities for resident deposits collected for services provided.

K. ACCUMULATED UNPAID VACATION, SICK PAY, AND COMPENSATORY TIME

It is the Village's policy to permit employees to accumulate earned but unused vacation benefits; however, accrued compensated absences at April 30, 2024 are not recorded by the Village under the modified cash basis of accounting.

L. USE OF ESTIMATES

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

M. NET POSITION AND FUND BALANCE CLASSIFICATIONS

Government-Wide Statements

Net Position is classified and displayed in three components:

Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.

Restricted - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

Unrestricted - Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The Village has no set policy for this allocation of expenditures. The Village currently uses the method suggested by GASB which is to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

Fund Financial Statements

Governmental Funds

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

Nonspendable - amounts that cannot be spent either because they are either (a) in a nonspendable form or (b) they are legally or contractually required to be maintained intact.

Restricted - amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (which as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Village has classified property taxes as restricted because their use is restricted by state laws and regulations. The Village also has restricted cash balances classified as restricted fund balance due to the funds being restricted by creditors.

Committed - amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Village Board. These amounts cannot be used for any other purpose unless the Village Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

Assigned - amounts that are constrained by the Village's intent to be used for specific purpose but are neither restricted nor committed. This intent can be expressed by the Village Board or through the Village Board delegating this responsibility to a Board member or the Mayor through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except the General Fund.

Unassigned - the residual funds balance of the General Fund and any negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

As of the end of the fiscal year, the Village had no policy for the allocation of expenditures when all the above fund balances are available. Currently the method suggested by GASB 54 has been applied in which the amounts will first be spent out of the committed funds, and then the assigned funds, and finally the unassigned funds unless the Village Board has provided otherwise in its commitment or assignment actions.

As of April 30, 2024, the governmental fund financial statements reported fund balances as restricted due to property tax revenues received but not yet expended for their levied purposes. The restricted purposes for these balances are as presented on the face of the governmental fund financial statements.

Proprietary Funds

The difference among assets, deferred outflows of resources, liabilities, and deferred inflows of resources of proprietary funds is reported as net position and classified in the same manner as the government-wide financial statements as previously described.

NOTE 2. TAX LEVIES AND COLLECTIONS

Property taxes are levied each year on all taxable real property located in the Village on or before the last Tuesday in December. The Village adopted its 2022 tax levy on November 21, 2022. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments (on or about June 1 and September 1) subsequent to the year of the tax levy.

The county treasurer remits the tax collected in June, July, August, September, and November to the Village. As of April 30, 2024, the Village had received all of its 2022 levy and none of its 2023 levy.

Following is a schedule of tax rates by fund for the 2022 levy per \$100 of equalized assessed valuation:

Fund	Rate	Maximum Allowable Rate
Governmental Fund Types:		
Corporate	.33284	.43750
I.M.R.F.	.00805	
Social Security	.06358	
Fiduciary Fund Type:		
Police Pension	.05816	
Revenue Recapture	.00173	
	.46436	

The Village also receives road and bridge property taxes. However, these taxes are levied by Groveland, Morton and Tremont Road and Bridge.

NOTE 3. CASH DEPOSITS AND CASH EQUIVALENTS

Authorized Investments

The deposits and investments of the Village are governed by the provisions of the Illinois Compiled Statutes. The Village does not have a policy for allowable investments and deposits nor a policy to limit

allowable deposits or investments. In accordance with the provisions of the Illinois Compiled Statutes, all Village monies must be invested in one or more of the following:

1. Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits constituting direct obligations of any bank as shall have been selected and designated under the terms of the Statutes and as shall have complied with the requirements thereof;
2. Shares or other forms of securities legally issuable by savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States, provided such shares or securities are insured by the Federal Deposit Insurance Corporation;
3. Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
4. Short-term discount obligations of the Federal National Mortgage Association.

The deposits and investments of the Police Pension Fund are governed by the provisions of the Illinois Pension Code and policies established by the Police Pension Board. In addition to the types of investments listed above, the Police Pension Fund may also invest in the following:

1. Interest bearing bonds or tax anticipation warrants of certain local governments within the state of Illinois;
2. Direct obligations of the state, subject to certain conditions and limitations;
3. Money market mutual funds meeting certain criteria;
4. General accounting of life insurance companies authorized to transact business in Illinois;
5. Other types of investments as permitted by the Illinois Pension Code.

During the year ended April 30, 2024, the Village complied with the provisions of these statutes pertaining to the types of investments held and institutions in which deposits were made.

Custodial Credit Risk

Custodial credit risk is defined as the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The policy for the Police Pension Fund requires its deposits to be insured or collateralized. The Village has no other policy for custodial credit risk. Financial institutions holding deposits and investments of the Village hold pledged securities to provide collateralization for deposits in excess of the FDIC limit. As of April 30, 2024, \$750,000 of the Village's bank balance was covered by FDIC insurance and the remaining balances were insured with securities held by the pledging institution in the Village's name.

NOTE 4. INVESTMENTS – POLICE PENSION FUND

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$1,506,417 and the bank balances totaled \$1,598,781.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Fund’s deposits may not be returned to it. The Funds’ investment policy does not address custodial credit risk for investments. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

The Illinois Police Officers Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF’s annual report. For additional information on IPOPIF’s investments, please refer to their annual report, which can be obtained from IPOPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org. The Fund transferred all eligible assets to the Investment Fund in November of 2022.

Investments. At year-end the Fund has \$17,415,123 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org.

Investment Policy. IPOPIF’s current investment policy was adopted by the Board of Trustees on July 13, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

Rate of Return. For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.93%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 5. INTERFUND TRANSACTIONS

Interfund Balances

As of April 30, 2024, the Village had no interfund balances. The Village transferred \$50,000 to repay the General Fund for previous transfers to Social Security Fund.

NOTE 6. NOTES RECEIVABLE

The Village of Morton entered into a promissory note agreement in fiscal year 2014 in the amount of \$2,000,000 for the sale of property located at 180 Detroit Avenue. The Village will receive equal annual installments of \$133,333 over a 15-year period beginning October 2015. The note bears no interest. A summary of changes in the note receivable for the year ended April 30, 2024 is as follows:

Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
\$ 933,336	\$ -	\$ 133,333	\$ 800,003	\$ 133,333

Annual revenue receivable for the note are as follows:

Years Ended April 30:	
2025	\$ 133,333
2026	133,333
2027	133,333
2028	133,333
2029	133,333
2030	<u>133,338</u>
Total	<u>\$ 800,003</u>

NOTE 7. CAPITAL ASSETS

Capital assets activity, resulting from modified cash basis transactions, for the year ended April 30, 2024, is as follows:

Governmental Activities	Beginning Balances	Additions	Disposals	Ending Balance
Capital assets, not being depreciated				
Land	\$ 2,377,348	\$ 2,673,821	\$ (1,793,423)	\$ 3,257,746
Construction in progress	435,793	405,392	-	841,185
Subtotal	<u>2,813,141</u>	<u>3,079,213</u>	<u>(1,793,423)</u>	<u>4,098,931</u>
Capital Assets, being depreciated/amortized				
Land improvements	4,982,869	35,750	-	5,018,619
Infrastructure	67,800,400	1,098,765	-	68,899,165
Buildings and structures	9,089,185	-	(120,000)	8,969,185
Machinery and equipment	7,871,595	870,824	(485,234)	8,257,185
Right of use assets	182,490	-	-	182,490
Subtotal	<u>89,926,539</u>	<u>2,005,339</u>	<u>(605,234)</u>	<u>91,326,644</u>
Less: accumulated depreciation/amortization				
Land improvements	(2,184,137)	(337,801)	-	(2,521,938)
Infrastructure	(35,642,182)	(2,216,072)	-	(37,858,254)
Buildings and structures	(3,703,098)	(212,021)	58,800	(3,856,319)
Machinery and equipment	(5,674,254)	(540,266)	451,906	(5,762,614)
Right of use assets	(60,931)	(60,931)	-	(121,862)
Subtotal	<u>(47,264,602)</u>	<u>(3,367,091)</u>	<u>510,706</u>	<u>(50,120,987)</u>
Net capital assets being depreciated/amortized	<u>42,661,937</u>	<u>(1,361,752)</u>	<u>(94,528)</u>	<u>41,205,657</u>
Total net capital assets	<u>\$ 45,475,078</u>	<u>\$ 1,717,461</u>	<u>\$ (1,887,951)</u>	<u>\$ 45,304,588</u>

Depreciation expense for 2024 was charged to functions/programs of the primary government as follows:

Governmental Activity	
General Government	\$ 350,488
Public Works	8,254
Public Safety	630,818
Transportation	<u>2,377,531</u>
Total	<u>\$ 3,367,091</u>

Business-type Activities	Beginning Balances	Additions	Disposals	Ending Balance
Municipal Gas:				
Capital assets, not being depreciated				
Land	\$ 1,150,120	\$ -	\$ -	\$ 1,150,120
Construction in progress	905,949	5,162,473	-	6,068,422
Subtotal	2,056,069	5,162,473	-	7,218,542
Capital Assets, being depreciated/amortized				
Distribution system	6,011,363	36,960	-	6,048,323
Buildings	213,292	-	-	213,292
Machinery and equipment	1,473,935	32,838	-	1,506,773
Right of use assets	18,824	-	-	18,824
Subtotal	7,717,414	69,798	-	7,787,212
Less: accumulated depreciation/amortization				
Distribution system	(4,800,973)	(67,184)	-	(4,868,157)
Buildings	(86,631)	(4,236)	-	(90,867)
Machinery and equipment	(1,098,966)	(83,769)	-	(1,182,735)
Right of use assets	(3,765)	(3,765)	-	(7,530)
Subtotal	(5,990,335)	(158,954)	-	(6,149,289)
Total net capital assets, being Depreciated/amortized	1,727,079	(89,156)	-	1,637,923
Total net capital assets	\$ 3,783,148	\$ 5,073,317	\$ -	\$ 8,856,465

	Beginning Balances	Additions	Disposals	Ending Balance
Water and Wastewater:				
Capital assets, not being depreciated				
Land	\$ 299,999	\$ -	\$ -	\$ 299,999
Construction in progress	12,123,724	-	(12,111,724)	12,000
Subtotal	12,423,723	-	(12,111,724)	311,999
Capital Assets, being depreciated/amortized				
Distribution system	15,333,816	1,267,395	-	16,601,211
Sewerage system	31,979,909	356,158	-	32,336,067
Buildings and structures	980,678	12,332,485	-	13,313,163
Machinery and equipment	3,588,714	117,275	(122,818)	3,583,171
Right of use assets	37,648	-	-	37,648
Subtotal	51,920,765	14,073,313	(122,818)	65,871,260
Less: accumulated depreciation/amortization				
Distribution system	(7,981,669)	(283,582)	-	(8,265,251)
Sewerage system	(17,647,580)	(538,712)	-	(18,186,292)
Buildings and structures	(622,841)	(23,397)	-	(646,238)
Machinery and equipment	(3,175,680)	(217,433)	122,818	(3,270,295)
Right of use assets	(7,530)	(7,530)	-	(15,060)
Subtotal	(29,435,300)	(1,070,654)	122,818	(30,383,136)
Total net capital assets, being Depreciated/amortized	22,485,465	13,002,659	-	35,488,124
Total net capital assets	\$ 34,909,188	\$ 13,002,659	\$ (12,111,724)	\$ 35,800,123

	Beginning Balances	Additions	Disposals	Ending Balance
Storm Water:				
Capital Assets, being depreciated				
Distribution system	18,814,575	372,831	-	19,187,406
Buildings and structures	44,755	-	-	44,755
Machinery and equipment	506,978	-	-	506,978
Subtotal	19,366,308	372,831	-	19,739,139
Less: accumulated depreciation				
Distribution system	(8,743,434)	(397,375)	-	(9,140,809)
Buildings and structures	(896)	(895)	-	(1,791)
Machinery and equipment	(449,985)	(31,493)	-	(481,478)
Subtotal	(9,194,315)	(429,763)	-	(9,624,078)
Total net capital assets, being depreciated	10,171,993	(56,932)	-	10,115,061
Total net capital assets	\$ 10,171,993	\$ (56,932)	\$ -	\$ 10,115,061

	Beginning Balances	Additions	Disposals	Ending Balance
911 Consolidated Center:				
Capital Assets, being depreciated				
Building	\$ 524,005	\$ -	\$ -	\$ 524,005
Less: accumulated depreciation				
Building	(69,868)	(17,467)	-	(87,335)
Total net capital assets, being depreciated	454,137	(17,467)	-	436,670
Total net capital assets	\$ 454,137	\$ (17,467)	\$ -	\$ 436,670

NOTE 8. NOTES PAYABLE

The Village of Morton entered into a promissory note agreement in fiscal year 2014 in the amount of \$2,000,000 for the purchase of property located at 180 Detroit Avenue. The Village will pay equal annual installments of \$133,333 over a 15-year period beginning October 2015. The note bears no interest and will be repaid by the General fund.

A summary of changes in the note receivable for the year ended April 30, 2024 is as follows:

Beginning Balance		Increase	Decrease	Ending Balance	Due Within One Year
\$ 933,336	\$	-	\$ 133,333	\$ 800,003	\$ 133,333

Annual debt service requirements are as follows:

Years Ended April 30:	
2025	\$ 133,333
2026	133,333
2027	133,333
2028	133,333
2029	133,333
2030	<u>133,338</u>
Total	<u>\$ 800,003</u>

NOTE 9. LEASES

Governmental Funds

The Village entered into a commitment on March 25, 2022, to lease a 2022 Wheel Loader with Altorfer, Inc. through 2027 with monthly payments of \$347, and an implied interest rate of 4%. For the year ended April 30, 2024, the Village made \$4,160 in payments. The Village has 36 months remaining on the lease.

Annual debt service requirements to maturity for this lease are as follows:

	Principal	Interest
Year Ending April 30,		
2025	\$ 3,759	\$ 401
2026	3,912	248
2027	<u>4,071</u>	<u>88</u>
Total payments	<u>\$ 11,742</u>	<u>\$ 737</u>

The Village entered into a commitment on February 22, 2022, to lease Police in car cameras through 2027 with annual payments of \$16,609 and an implied interest rate of 4.0%. For the year ended April 30, 2024, the Village made \$16,609 in payments. The Village has 3 years remaining on the lease.

Annual debt service requirements to maturity for this lease are as follows:

	Principal	Interest
Year Ending April 30,		
2025	\$ 16,444	\$ 165
2026	16,499	110
2027	<u>16,554</u>	<u>55</u>
Total payments	<u>\$ 49,497</u>	<u>\$ 330</u>

The Village entered into a commitment on March 1, 2023, to lease street cameras through 2024 with annual payments of \$56,250 and an implied interest rate of 4%. For the year ended April 30, 2024, the Village made \$18,750 in payments. The Village has 1 year remaining on the lease.

Annual debt service requirements to maturity for this lease are as follows:

	Principal	Interest
Year Ending April 30,		
2025	\$ 37,502	\$ 125

Annual debt service requirements to maturity for all Governmental leases are as follows:

	Principal	Interest
Year Ending April 30, 2025	\$ 57,705	\$ 566
2026	20,411	358
2027	20,625	143
	<hr/>	<hr/>
Total payments	<u>\$ 98,741</u>	<u>\$ 1,067</u>

The total amount of assets recorded under leases in the Governmental Funds for the year ended April 30, 2024 is \$182,490. The related accumulated amortization for the year ended April 30, 2024 is \$121,862, resulting in total governmental right of use assets net of amortization of \$60,628.

Business-Type Funds

The Village entered into a commitment on March 25, 2022, to lease a 2022 Wheel Loader with Altorfer, Inc. through 2027 with monthly payments of \$1,040, and an implied interest rate of 4%. For the year ended April 30, 2024, the Village made \$12,480 in payments. The Village has 36 months remaining on the lease.

Annual debt service requirements to maturity for this lease are as follows:

	Principal	Interest
Year Ending April 30, 2025	\$ 11,277	\$ 1,204
2026	11,736	744
2027	12,213	266
	<hr/>	<hr/>
Total payments	<u>\$ 35,226</u>	<u>\$ 2,214</u>

The total amount of assets recorded under leases in the Business-Type Funds for the year ended April 30, 2024 is \$56,472. The related accumulated amortization for the year ended April 30, 2024 is \$22,590, resulting in total business-type right of use assets net of amortization of \$33,882.

NOTE 10. LEGAL DEBT MARGIN

The Village's legal debt margin as set forth by State Statute is limited to 8.625% of total taxable assessed value which approximates \$51,294,181. The debt subject to the debt limitation is based on the type of debt that is issued. As such, proprietary fund debt is not included. As of April 30, 2024, the Village has no debt subject to legal debt margin.

NOTE 11. DEFINED BENEFIT PENSION PLANS

The Village participates in three retirement systems: the Illinois Municipal Retirement Fund (IMRF), the Police Pension Fund, and the Fire Pension Fund. The aggregate employer recognized pension expense on a cash basis for the year ended April 30, 2024, was \$1,249,106.

Plan description. The Village's defined benefit pension plan for regular employees (Regular Plan) and defined benefit plan for sheriffs, deputy sheriffs, and selected police chiefs (Sheriff's Law Enforcement Personnel Plan) provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and their beneficiaries. These Plans are affiliated with the Illinois Municipal Retirement

Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. The report is available for download at www.imrf.org.

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

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

Employees Covered by Benefit Terms

As of December 31, 2023, the following employees were covered by the benefit terms of the Regular Plan:

	IMRF
Retirees and Beneficiaries currently receiving benefits	58
Inactive Plan Members entitled to but not yet receiving benefits	27
Active Plan Members	59
Total	<u>144</u>

As of December 31, 2023, the following employees were covered by the benefit terms of the Sherriff's Law Enforcement Personnel Plan (SLEP):

	SLEP
Retirees and Beneficiaries currently receiving benefits	1
Inactive Plan Members entitled to but not yet receiving benefits	0
Active Plan Members	0
Total	<u>1</u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's Regular Plan annual contribution rate for calendar year 2023 was 4.11%. There was no required contribution for the Village's SLEP Plan for calendar year 2023. For the fiscal year ended 2024, the Village contributed \$175,215 and \$-0- to the Regular Plan and the SLEP plan, respectively. The Village 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 IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Village’s net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Since the Village follows the cash basis of accounting, the liability is not recognized on the financial statements.

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2023:

- The Actuarial Cost Method used was Aggregate 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 2.75% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- 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.
- Mortality for Disabled Retirees, the Pub-2010, Amount -weighted, below-median income, General, Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- Mortality for Active Members, the Pub-2010, Amount -weighted, below-median income, General, Retiree, 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, 2023:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	34.5%	5.00%
International Equity	18.0%	6.35%
Fixed Income	24.5%	4.75%
Real Estate	10.5%	6.30%
Alternative Investments	11.5%	6.05-8.65%
Cash Equivalents	1.0%	3.80%
Total	<u>100%</u>	

Discount Rate. A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2023. 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 the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.77%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

Regular Plan

	Total Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2022	\$ 27,568,375	\$ 26,388,961	\$ 1,179,414
Changes for the year:			
Service Cost	380,102	-	380,102
Interest on the Total Pension Liability	1,962,639	-	1,962,639
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	711,929	-	711,929
Changes of Assumptions *	(9,791)	-	(9,791)
Contributions – Employer	-	175,215	(175,215)
Contributions – Employees	-	192,509	(192,509)
Net Investment Income	-	2,867,237	(2,867,237)
Benefit Payments, including Refunds of Employee Contributions	(1,375,083)	(1,375,083)	-
Other (Net Transfer)	-	1,095,955	(1,095,955)
Net Changes	<u>1,669,796</u>	<u>2,955,833</u>	<u>(1,286,037)</u>
Balances at December 31, 2023	<u>\$ 29,238,171</u>	<u>\$ 29,344,794</u>	<u>\$ (106,623)</u>

SLEP Plan

	Total Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2022	\$ 732,404	\$ 638,286	\$ 94,118
Changes for the year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	50,516	-	50,516
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	14,583	-	14,583
Changes of Assumptions *	(2,130)	-	(2,130)
Contributions – Employer	-	-	-
Contributions – Employees	-	-	-
Net Investment Income	-	86,547	(86,547)
Benefit Payments, including Refunds of Employee Contributions	(71,273)	(71,273)	-
Other (Net Transfer)	-	24,618	(24,618)
Net Changes	<u>(8,304)</u>	<u>39,892</u>	<u>(48,196)</u>
Balances at December 31, 2023	<u>\$ 724,100</u>	<u>\$ 678,178</u>	<u>\$ 45,922</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

Regular Plan	1% Lower (6.25%)	Discount Rate (7.25%)	1% Higher (8.25%)
	Net Pension Liability/(Asset)	\$ 3,181,221	\$ (106,623)
SLEP Plan	1% Lower (6.25%)	Discount Rate (7.25%)	1% Higher (8.25%)
Net Pension Liability/(Asset)	\$ 101,181	\$ 45,922	\$ (2,783)

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

For the year ended April 30, 2024, the Village would have recognized pension income of \$1,304,002 if it were on the accrual basis of accounting. If the Village was on the accrual basis of accounting at April 30, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Regular Plan

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 606,328	\$ 843,355
Changes of assumptions	20,260	74,369
Net difference between projected and actual earnings on pension plan investments	3,809,093	2,247,602
Total Deferred Amounts to be recognized in pension expense in future periods	4,435,681	3,165,326
<i>Pension Contributions made subsequent to the Measurement Date</i>	57,842	-
Total Deferred Amounts Related to Pensions	\$ 4,493,523	\$ 3,165,326

SLEP Plan

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	186,274	97,394
Total Deferred Amounts to be recognized in pension expense in future periods	186,274	97,394
<i>Pension Contributions made subsequent to the Measurement Date</i>	-	-
Total Deferred Amounts Related to Pensions	\$ 186,274	\$ 97,394

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:

Regular Plan

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2024	\$ (4,581)
2025	382,323
2026	967,565
2027	(74,952)
Total	<u>\$ 1,270,355</u>

SLEP Plan

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2024	\$ 13,810
2025	29,764
2026	53,697
2027	(8,391)
Total	<u>\$ 88,880</u>

In addition to IMRF, the Village of Morton has two pension plans covering employees of the police and fire departments. The following brief descriptions of the two pension funds are provided for general information purposes only. Participants should refer to their appropriate plan agreement for more complete information.

Police Pension Fund

Plan Description

On July 25, 1963, the Village of Morton adopted the provisions of Chapter 40, Section 5/3 of the Illinois compiled Statutes concerning police officers' pension. The Village levies a special tax to establish adequate funds for the payments of future benefits. The Village accounts for the plan as a pension trust fund. The Police Pension Plan is a single-employer defined benefit pension plan which covers the police officers of the Village. The Board of the Police Pension Plan consists of five Trustees, two of whom are appointed by the mayor, two of whom are members of the system who are elected by a majority of the police officers who are members of the system, and a fifth trustee who is retired pensioner who is elected by a majority of retired police officers. Each Trustee serves a two-year term. The Police Pension plan, which is administered by the Village, provides retirement, death, and disability benefits to plan members and their beneficiaries.

Benefits Provided

For police officers hired prior to January 1, 2011 attaining the age of 50, the normal retirement benefit is equal to 50% of the final salary plus 2.5% of any service over 20 years (with a maximum of 30) times the final salary. There is a minimum benefit of \$1,000 per month.

The benefit is paid as a 100% joint and survivor benefit with the spouse, children under 18, or dependent parents of the participant as the survivor. For police officers hired on or after January 1, 2011 attaining the age of 55, the normal retirement benefit is equal to 1.5 % of the final average salary times benefit service (maximum of 30 years). The benefit is paid as a 66.67% joint and survivor benefit with the spouse, children under 18, or dependent parents of the participant as the survivor.

Employees Covered by Benefit Terms

As of May 1, 2023, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	16
Inactive Plan Members entitled to but not yet receiving benefits	3
Active Plan Members	22
Total	<u>41</u>

Contributions

Qualifying employees are required to contribute 9.91 percent of their base salary to the Police Pension Trust Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan at an actuarially determined rate. For the fiscal year ended April 30, 2023, the Village contributed \$1,031,152 to the plan.

Investment Policy

Illinois Compiled Statutes (ILCS) limit the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Funds investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market, mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts. During the year, no changes were made to the investment policy. ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

Net Pension Liability

The Village's net pension liability was measured as of May 1, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the Police Pension Plan as of May 1, 2023 were as follows:

Annual Pension Cost	\$ 499,262
Contribution Made	1,060,755
Actuarial Valuation Date	May 1, 2023
Actuarial Cost Method	Entry Age/Normal Cost
Amortization Method	Level % of Payroll Closed Basis
Remaining Amortization	17 years
Interest Rate Assumption	6.80%
Salary Progression Assumption	3.00%
Unfunded Accrued Liability	\$ 4,385,729

Employee contributions for the year were \$233,909.

Fire Pension Fund

Plan Description

The Village of Morton is served by a volunteer fire department whose members are not eligible for IMRF or for benefits of the pension plan outlined above. Ordinance 635 enacted April 21, 1975 provides for a nominal retirement benefit to eligible firemen.

The Firemen Pension Plan covers members of the Morton Volunteer Fire Department. The Firemen Pension Plan, which is administered by the Village, provides post-retirement payments to firemen attaining the age of 60 or more with 5 or more years of creditable service. Qualified firemen are entitled to receive a payment of \$5 per month for each year of creditable service. Early payments are available for firemen age 55 or older with 10 years of service at a reduced benefit.

Summary of the Plan's Significant Accounting Policies and Asset Matters:

Plan Administration

The Firemen Pension Plans is a single-employer defined benefit pension plans. The plan is administered by the Village which acts as the administrator of the plans.

The Board for the Firemen Pension Plan consists of two Trustees who are elected by a majority of the firefighters who are members of the system. Each person who volunteers for the Voluntary Fire Department as a firefighter becomes a member of the Plan as a condition of his or her employment. All firefighters are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

Contributions

Qualifying employees are not required to contribute to the Fire Pension Trust Fund. For the fiscal year ended April 30, 2024, the Village did not make any contributions to the plan.

Investment Policy

The Village Board of Trustees (Board) is responsible for administering the investment policies of the Plans and providing oversight for the management of the Plan assets. The investment strategy of each Plan is emphasize total return (defined as the aggregate return from capital appreciation and dividend and interest income).

Concentrations

As of April 30, 2024, the Volunteer Firefighter's Pension Fund did not hold investments in any one organization that represented 5 percent or more of the Plan's fiduciary position.

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS

The Village of Morton also provides medical insurance for certain retired employees. All employees who meet the IMRF or police pension retirement eligibility requirements and qualified for health insurance benefits prior to retirement may participate in the medical insurance program which covers both active and retired members. All employees must pay the full monthly premium in order to continue their coverage after retirement. Monthly premiums are as follows:

Single	\$	802
Single and child(ren)		1,945
Married		1,785
Family		2,929

The Village Board determines the benefits to be provided and contribution requirements. The Village currently funds these benefits on a pay-as-you-go basis and has not established a separate trust fund. Retiree health coverage is implicitly more expensive than active health coverage. For fiscal year 2024, there were no retirees receiving benefits through the Village's health insurance plan.

NOTE 13. INTERGOVERNMENTAL AGREEMENT

Illinois state statute requires any Village which receives an allocation of replacement taxes under the Illinois Local Library Act to pay to the public library a proportionate share of the tax received. For the fiscal year ended April 30, 2024, the amount paid to the Morton Public Library District for this intergovernmental agreement was \$156,506 from the General Fund.

NOTE 14. RISK MANAGEMENT

The Village of Morton is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets, natural disasters, and medical and dental claims of its employees and their dependents. The Village purchases commercial insurance coverage for these risks of loss. Settled claims have not exceeded the aggregate commercial coverage in any of the past three years.

NOTE 15. COMMITMENTS

The Village has entered into commitments for a Detroit Avenue resurfacing project, Detroit Avenue bike trail project, and construction of a Village Gas and Water Building. At April 30, 2024, the remaining commitment for these contracts totaled approximately \$3,167,000.

NOTE 16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 29, 2024, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

SUPPLEMENTARY INFORMATION

VILLAGE OF MORTON, ILLINOIS
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - GENERAL FUND
Year Ended April 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
<u>REVENUES:</u>			
Local Taxes:			
Property tax	\$ 1,751,600	\$ 1,790,154	\$ 38,554
Sales tax	5,960,000	6,571,760	611,760
Income tax	2,850,000	2,802,302	(47,698)
Utility franchise tax	1,729,300	1,524,873	(204,427)
TV franchise tax	220,000	206,993	(13,007)
Telecommunications tax	260,000	199,155	(60,845)
Replacement tax	325,000	347,091	22,091
Charges for service	1,573,500	1,712,112	138,612
Licenses and permits	165,500	218,899	53,399
Fines	62,750	69,442	6,692
Grant revenue	1,573,200	72,171	(1,501,029)
Other revenue	38,300	78,903	40,603
Investment revenue	200,000	307,567	107,567
	<u>16,709,150</u>	<u>15,901,422</u>	<u>(807,728)</u>
<u>EXPENDITURES:</u>			
Current:			
General and administration			
General administration:			
Personnel	184,000	191,934	(7,934)
Contractual services	118,750	103,673	15,077
Commodities	492,550	488,972	3,578
Other	261,000	199,651	61,349
	<u>1,056,300</u>	<u>984,230</u>	<u>72,070</u>
President and board:			
Personnel	17,200	17,200	-
Contractual services	13,200	12,627	573
Commodities	3,000	767	2,233
Other	15,500	703	14,797
	<u>48,900</u>	<u>31,297</u>	<u>17,603</u>

VILLAGE OF MORTON, ILLINOIS
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - GENERAL FUND (Continued)
Year Ended April 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
<u>EXPENDITURES (continued):</u>			
President of fire and police commissioners:			
Personnel	\$ 970	\$ 911	\$ 59
Contractual services	2,500	1,601	899
Other	100	-	100
	<hr/>	<hr/>	<hr/>
Total	3,570	2,512	1,058
	<hr/>	<hr/>	<hr/>
Community development:			
Personnel	107,500	126,894	(19,394)
Contractual services	102,750	122,237	(19,487)
Commodities	2,700	1,508	1,192
	<hr/>	<hr/>	<hr/>
Total	212,950	250,639	(37,689)
	<hr/>	<hr/>	<hr/>
Total General and Administration	1,321,720	1,268,678	53,042
	<hr/>	<hr/>	<hr/>
Public works			
General administration:			
Personnel	44,900	45,934	(1,034)
Contractual services	109,000	118,187	(9,187)
Commodities	26,100	30,557	(4,457)
	<hr/>	<hr/>	<hr/>
Total Public Works	180,000	194,678	(14,678)
	<hr/>	<hr/>	<hr/>
Public safety			
Police department:			
Personnel	3,209,500	3,063,775	145,725
Contractual services	728,630	736,013	(7,383)
Commodities	194,500	186,566	7,934
Other	5,300	2,181	3,119
	<hr/>	<hr/>	<hr/>
Total	4,137,930	3,988,535	149,395
	<hr/>	<hr/>	<hr/>

VILLAGE OF MORTON, ILLINOIS
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - GENERAL FUND (Continued)
Year Ended April 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
<u>EXPENDITURES (continued):</u>			
Fire department:			
Personnel	\$ 965,000	\$ 388,114	\$ 576,886
Contractual services	289,510	315,358	(25,848)
Commodities	46,450	71,968	(25,518)
Other	-	6,801	(6,801)
	<u>1,300,960</u>	<u>782,241</u>	<u>518,719</u>
Paramedic group:			
Personnel	1,517,500	1,632,632	(115,132)
Contractual services	152,850	225,533	(72,683)
Commodities	109,500	109,983	(483)
	<u>1,779,850</u>	<u>1,968,148</u>	<u>(188,298)</u>
Total Public Safety	<u>7,218,740</u>	<u>6,738,924</u>	<u>479,816</u>
Transportation			
Street department:			
Personnel	619,600	565,399	54,201
Contractual services	625,800	2,989,703	(2,363,903)
Commodities	223,800	233,319	(9,519)
Total Transportation	<u>1,469,200</u>	<u>3,788,421</u>	<u>(2,319,221)</u>
Culture & Recreation			
Memorial Plaza			
Personnel	6,000	2,756	3,244
Contractual services	22,200	21,507	693
Commodities	11,000	2,509	8,491
Total Culture & Recreation	<u>39,200</u>	<u>26,772</u>	<u>12,428</u>

VILLAGE OF MORTON, ILLINOIS
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - GENERAL FUND (Continued)
Year Ended April 30, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Capital outlay:			
Land	\$ 150,000	\$ -	\$ 150,000
Buildings	125,000	-	125,000
Equipment	10,665,800	2,410,731	8,255,069
Total Capital Outlay	<u>10,940,800</u>	<u>2,410,731</u>	<u>8,530,069</u>
Debt Service:			
Principal	-	171,898	(171,898)
Interest expense	-	989	(989)
Total Debt Service	<u>-</u>	<u>172,887</u>	<u>(172,887)</u>
Total Charges to Expenditures	<u>21,169,660</u>	<u>14,601,091</u>	<u>6,568,569</u>
Excess (deficiency) of revenues over expenditures	<u>(4,460,510)</u>	<u>1,300,331</u>	<u>5,760,841</u>
Other Financing Sources (Uses):			
Proceeds from sale of assets	-	133,333	133,333
Operating transfers in	50,000	50,000	-
Operating transfers out	(36,000)	-	36,000
Total Other Financing Sources (Uses)	<u>14,000</u>	<u>183,333</u>	<u>169,333</u>
CHANGE IN FUND BALANCE	<u><u>\$ (4,446,510)</u></u>	<u>1,483,664</u>	<u><u>\$ 5,930,174</u></u>
FUND BALANCE - BEGINNING		<u>14,714,927</u>	
FUND BALANCE - ENDING		<u><u>\$ 16,198,591</u></u>	

VILLAGE OF MORTON, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
MOTOR FUEL TAX FUND
Year Ended April 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
<u>REVENUES:</u>			
Taxes:			
Motor fuel tax	\$ 690,000	\$ 786,714	\$ 96,714
Interest	30,000	88,640	58,640
Total Revenues	720,000	875,354	155,354
<u>EXPENDITURES:</u>			
Current:			
Transportation			
Contractual services	-	300,353	(300,353)
Other	831,200	-	831,200
Total expenditures	831,200	300,353	530,847
CHANGE IN FUND BALANCE	\$ (111,200)	575,001	\$ 686,201
FUND BALANCE - BEGINNING		2,969,215	
FUND BALANCE - ENDING		\$ 3,544,216	

VILLAGE OF MORTON, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
BUSINESS DISTRICT TAX FUND
Year Ended April 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
<u>RESOURCES (INFLOWS):</u>			
Taxes:			
Sales tax	\$ 600,000	\$ 616,225	\$ 16,225
Interest	1,500	18,385	16,885
	<u>601,500</u>	<u>634,610</u>	<u>33,110</u>
<u>CHARGES TO EXPENDITURES (OUTFLOWS):</u>			
Current:			
General and administration			
Contractual servies	500	4,085	(3,585)
Other	100,000	55,598	44,402
	<u>100,500</u>	<u>59,683</u>	<u>40,817</u>
Capital outlay:			
Land	2,830,000	2,673,821	156,179
Infrastructure	500,000	-	500,000
	<u>3,330,000</u>	<u>2,673,821</u>	<u>656,179</u>
	<u>3,430,500</u>	<u>2,733,504</u>	<u>696,996</u>
Deficiency of revenues under expenditures	(2,829,000)	(2,098,894)	730,106
Other Financing Sources:			
Proceeds from sale of assets	1,800,000	1,873,359	73,359
CHANGE IN FUND BALANCE	<u>\$ (1,029,000)</u>	<u>(225,535)</u>	<u>\$ 803,465</u>
FUND BALANCE - BEGINNING		<u>1,506,591</u>	
FUND BALANCE - ENDING		<u><u>\$ 1,281,056</u></u>	

VILLAGE OF MORTON, ILLINOIS
COMBINING STATEMENT OF ASSETS, LIABILITES, AND FUND BALANCES -
MODIFIED CASH BASIS - NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended April 30, 2024

	Tourism and Convention	Social Security	Illinois Municipal Retirement	Total Non- Major Special Revenue Funds
<u>ASSETS</u>				
Cash	\$ 566,627	\$ 73,899	\$ 218,815	\$ 859,341
<u>LIABILITIES AND FUND BALANCES</u>				
Fund Balances:				
Restricted				
General government	\$ 566,627	\$ 73,899	\$ 218,815	\$ 859,341
Total Liabilities & Fund Balances	\$ 566,627	\$ 73,899	\$ 218,815	\$ 859,341

VILLAGE OF MORTON, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended April 30, 2024

	Tourism and Convention	Social Security	Illinois Municipal Retirement	Total Non- Major Special Revenue Funds
<u>REVENUES</u>				
Taxes:				
Property tax	\$ -	\$ 339,850	\$ 43,030	\$ 382,880
Municipal hotel tax	346,276	-	-	346,276
Replacement tax	-	35,959	9,863	45,822
Other	20,000	-	-	20,000
Interest	2,421	2,620	10,480	15,521
Total Revenues	368,697	378,429	63,373	810,499
<u>EXPENDITURES</u>				
Current:				
General and administration	351,230	330,723	80,896	762,849
Revenue Received Over (Under) Expenditures	17,467	47,706	(17,523)	47,650
Other Financing Uses:				
Operating transfers out	-	(50,000)	-	(50,000)
Net changes in fund balances	17,467	(2,294)	(17,523)	(2,350)
FUND BALANCES - BEGINNING	549,160	76,193	236,338	861,691
FUND BALANCES - ENDING	\$ 566,627	\$ 73,899	\$ 218,815	\$ 859,341

VILLAGE OF MORTON, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
TOURISM AND CONVENTION FUND
Year Ended April 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
<u>RESOURCES (INFLOWS):</u>			
Taxes:			
Municipal hotel tax	\$ 375,000	\$ 346,276	\$ (28,724)
Other	20,000	20,000	-
Interest	3,500	2,421	(1,079)
	<u>398,500</u>	<u>368,697</u>	<u>(29,803)</u>
<u>CHARGES TO EXPENDITURES (OUTFLOWS):</u>			
Current:			
General and administration			
Personnel	26,930	23,386	3,544
Contractual services	55,300	49,881	5,419
Other	192,100	277,963	(85,863)
	<u>274,330</u>	<u>351,230</u>	<u>(76,900)</u>
Capital outlay:			
Land improvements	26,000	-	26,000
Buildings	12,500	-	12,500
	<u>312,830</u>	<u>351,230</u>	<u>(38,400)</u>
CHANGE IN FUND BALANCE	<u>\$ 85,670</u>	17,467	<u>\$ (68,203)</u>
FUND BALANCE - BEGINNING		<u>549,160</u>	
FUND BALANCE - ENDING		<u>\$ 566,627</u>	

VILLAGE OF MORTON, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
SOCIAL SECURITY FUND
Year Ended April 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
<u>RESOURCES (INFLOWS):</u>			
Taxes:			
Property tax	\$ 330,000	\$ 339,850	\$ 9,850
Replacement tax	75,000	35,959	(39,041)
Interest	2,500	2,620	120
	<u>407,500</u>	<u>378,429</u>	<u>(29,071)</u>
<u>CHARGES TO EXPENDITURES (OUTFLOWS):</u>			
Current:			
General and administration			
Personnel	385,300	330,723	54,577
Excess of revenues over expenditures	22,200	47,706	25,506
Other Financing Uses:			
Operating transfers out	(50,000)	(50,000)	-
CHANGE IN FUND BALANCE	<u><u>\$ (27,800)</u></u>	<u>(2,294)</u>	<u><u>\$ 25,506</u></u>
FUND BALANCE - BEGINNING		<u>76,193</u>	
FUND BALANCE - ENDING		<u><u>\$ 73,899</u></u>	

VILLAGE OF MORTON, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
ILLINOIS MUNICIPAL RETIREMENT FUND
Year Ended April 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
<u>RESOURCES (INFLOWS):</u>			
Taxes:			
Property tax	\$ 40,000	\$ 43,030	\$ 3,030
Replacement tax	45,000	9,863	(35,137)
Interest	2,000	10,480	8,480
Total Revenues	87,000	63,373	(23,627)
<u>CHARGES TO EXPENDITURES (OUTFLOWS):</u>			
Current:			
General and administration			
Personnel	107,300	80,896	26,404
CHANGE IN FUND BALANCE	\$ (20,300)	(17,523)	\$ 2,777
FUND BALANCE - BEGINNING		236,338	
FUND BALANCE - ENDING		\$ 218,815	

VILLAGE OF MORTON, ILLINOIS
NOTES TO SUPPLEMENTAL INFORMATION
April 30, 2024

BUDGET PROCESS

The Village adopts an annual appropriation ordinance in accordance with Chapter 65, Section 5/8-2-9, of the Illinois Compiled Statutes. The ordinance covers the fiscal year ending April 30. During any fiscal year, the Village Board may adopt a supplemental appropriation ordinance in an amount not in excess of the aggregate of any additional revenue available to the Village or estimated to be received by the Village subsequent to the adoption of the annual appropriation ordinance for that fiscal year.

Such supplemental appropriation ordinance shall only affect revenue that was not available for appropriation when that annual appropriation ordinance was adopted. However, the Village Board at any time after the first half of each fiscal year by a two-thirds vote of all the members, may make transfers within any department or other separate agency of the Village, of sums of money appropriated for one corporate object or purpose to another corporate object or purpose, but no appropriation for any object or purpose shall thereby be reduced below an amount sufficient to cover all obligations incurred or to be incurred against such appropriation. The legal level of control is at the fund level. The appropriations lapse at the end of each fiscal year.

This legal requirement relates only to expenditures. The Village also formally adopts an operating budget for certain funds containing estimated revenues and expenditures for the period. Budgeted revenues as reported in the financial statements are taken from the Village's operating budget, or in some cases, from the tax levy ordinance, while the appropriated expenditures are taken from the appropriation ordinance. The budget, as reflected in the financial statements, represents the original budget. There were no supplemental appropriations.

The Village Board, at least ten days prior to the adoption of the annual appropriation ordinance, shall make the proposed appropriation ordinance conveniently available to public inspection and shall hold at least one public hearing thereon. Notice of this hearing shall be given publication in one or more newspapers published locally, at least 10 days prior to the time of the public hearing.

Subsequent to the public hearing and before final action is taken on the appropriation ordinance, the Village Board may revise, alter, increase or decrease the items contained therein.

NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

Tourism and Convention Fund - The Tourism and Convention Fund was established to account for the collection of revenues from the Hotel/Motel tax. Funds may be expended for the promotion of tourism and other authorized uses.

Illinois Municipal Retirement - The Illinois Municipal Retirement was established to account for the activities resulting from the Village's participation in the Illinois Municipal Retirement Fund. Financing is provided by a dedicated annual real estate tax levy which produces a sufficient amount to pay the Village's contributions to the fund on behalf of the Village employees.

Social Security Fund - Social Security Fund was established to account for the activities resulting from the Village's participation in Social Security. Financing is provided by a dedicated annual real estate tax levy which produces a sufficient amount to pay the Village's contributions to the fund on behalf of the Village employees.

EXCESS EXPENDITURES OVER APPROPRIATIONS

For the year ended April 30, 2024, the Village had expenditures exceeding appropriations in the Tourism and Convention Fund.

VILLAGE OF MORTON, ILLINOIS
SEGMENTED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION -
MODIFIED CASH BASIS - WATER AND WASTEWATER FUND
Year Ended April 30, 2024

	Water Operations	Wastewater Operations	Total
<u>OPERATING REVENUES</u>			
Charges for services	\$ 3,344,665	\$ 3,524,337	\$ 6,869,002
Penalties and fees	25,705	12,600	38,305
Total Operating Revenues	<u>3,370,370</u>	<u>3,536,937</u>	<u>6,907,307</u>
<u>OPERATING EXPENSES</u>			
Personnel	1,164,312	892,025	2,056,337
Contractual services	816,660	1,343,136	2,159,796
Commodities	736,778	141,931	878,709
Other	318	30,391	30,709
Depreciation	283,582	779,542	1,063,124
Lease amortization	7,530	-	7,530
Total Operating Expenses	<u>3,009,180</u>	<u>3,187,025</u>	<u>6,196,205</u>
Operating Income	<u>361,190</u>	<u>349,912</u>	<u>711,102</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest income	118,797	-	118,797
Lease interest expense	(1,166)	-	(1,166)
Other revenue	6,813	-	6,813
Total Non-Operating Revenue	<u>124,444</u>	<u>-</u>	<u>124,444</u>
Change in net position	<u>\$ 485,634</u>	<u>\$ 349,912</u>	835,546
NET POSITION - BEGINNING			<u>40,041,196</u>
NET POSITION - ENDING			<u>\$ 40,876,742</u>

VILLAGE OF MORTON, ILLINOIS
COMBINING STATEMENT OF NET POSITION - MODIFIED CASH BASIS -
FIDUCIARY FUNDS
Year Ended April 30, 2024

	Police Pension Fund	Volunteer Firefighter's Pension Fund	Pension Trust Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,506,417	\$ 315,759	\$ 1,822,176
Investments	17,415,123	-	17,415,123
Total assets	\$ 18,921,540	\$ 315,759	\$ 19,237,299
NET POSITION			
Held in trust for pension benefits	\$ 18,921,540	\$ 315,759	\$ 19,237,299

VILLAGE OF MORTON, ILLINOIS
COMBINING STATEMENT OF CHANGES IN NET POSITION - MODIFIED CASH BASIS -
FIDUCIARY FUNDS
Year Ended April 30, 2024

	Police Pension Fund	Volunteer Firefighter's Pension Fund	Pension Trust Funds
Additions			
Employer contributions			
Property tax	\$ 310,879	\$ -	\$ 310,879
Replacement tax	173,478	-	173,478
Plan members' contributions	233,909	-	233,909
Interest income	159,431	7,686	167,117
Investment earnings	1,414,406	-	1,414,406
	<u>2,292,103</u>	<u>7,686</u>	<u>2,299,789</u>
Deductions			
Benefits paid	1,031,152	47,790	1,078,942
Refund of contributions	7,102	-	7,102
Administrative expenses	24,057	-	24,057
	<u>1,062,311</u>	<u>47,790</u>	<u>1,110,101</u>
Change in net position	1,229,792	(40,104)	1,189,688
Net position			
Beginning of year	<u>17,691,748</u>	<u>355,863</u>	<u>18,047,611</u>
End of year	<u>\$ 18,921,540</u>	<u>\$ 315,759</u>	<u>\$ 19,237,299</u>

OTHER INFORMATION

**VILLAGE OF MORTON, ILLINOIS
SCHEDULE OF PROPERTY TAX RATES, EXTENSIONS,
COLLECTIONS, AND ASSESSED VALUATIONS**

	2023 Tax Levy Year			2022 Tax Levy Year		
	Rate	Extension	Collections	Rate	Extension	Collections
Corporate	0.3049	\$ 1,813,168	\$ -	0.3328	\$ 1,780,022	\$ 1,777,482
Illinois Municipal Retirement Fund	0.0019	11,002	-	0.0081	43,051	42,991
Police Pension	0.0838	498,193	-	0.0582	311,038	310,596
Social Security	0.0521	309,906	-	0.0636	340,025	339,541
Revenue Recapture	0.0017	10,051	-	0.0017	9,252	9,240
	<u>0.4443</u>	<u>\$ 2,642,320</u>	<u>\$ -</u>	<u>0.4644</u>	<u>\$ 2,483,388</u>	<u>\$ 2,479,850</u>
Assessed valuation	<u>\$ 594,715,143</u>			<u>\$ 534,797,957</u>		
Road and Bridge Tax Collected			<u>\$ -</u>			<u>\$ 1,805</u>

2021 Tax Levy Year

<u>Rate</u>	<u>Extension</u>	<u>Collections</u>
0.2309	\$ 1,163,435	\$ 1,157,589
0.0319	160,707	159,900
0.1440	725,447	721,804
0.0609	306,753	305,213
0.0011	5,542	5,513
<u>0.46883</u>	<u>\$ 2,361,884</u>	<u>\$ 2,350,019</u>
<u>\$ 503,782,334</u>		
		<u>\$ 1,671</u>