

VILLAGE OF NORRIDGE, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2023

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VILLAGE OF NORRIDGE, ILLINOIS

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FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

March 25, 2024

The Honorable Village President
Members of the Board of Trustees
Village of Norridge, Illinois

Report on the Audit of the Financial Statements

Opinion

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 Norridge, Illinois, as of and for the year ended April 30, 2023, 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 Norridge, as of April 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Police Pension Fund as of April 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

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

Auditor's 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 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.

Required Supplementary Information

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

Village of Norridge, Illinois
March 25, 2024

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Norridge, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, on our consideration of the Village's 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 the effectiveness of the Village's 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's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF NORRIDGE, ILLINOIS

Management's Discussion and Analysis

April 30, 2023 (Unaudited)

Our discussion and analysis of the Village of Norridge (Village), Illinois' financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2023. Please read it in conjunction with the transmittal letter, which can be found in the introductory section of this report and the Village's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The Village's net position increased as a result of this year's operations. Net position of the governmental activities increased by \$5,994,764, or 81.6 percent and net position of the business-type activities increased by \$2,875,447, or 45.6 percent.
- During the year, government-wide revenues for the primary government totaled \$28,665,816, while expenses totaled \$19,795,605, resulting in an increase to net position of \$8,870,211.
- The Village's net position totaled \$7,826,503 on April 30, 2023, which includes \$17,187,528 net investment in capital assets, \$1,380,851 subject to external restrictions, and a deficit \$10,741,876 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$3,513,633, resulting in an ending fund balance of \$11,259,017, an increase of 45.4 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Government-Wide Financial Statements

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

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

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

VILLAGE OF NORRIDGE, ILLINOIS

Management's Discussion and Analysis

April 30, 2023 (Unaudited)

USING THIS ANNUAL REPORT - Continued

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-Type Activities). The Governmental Activities reflect the Village's basic services, including general government, public safety, public works, and village properties. The Business-Type Activities include the water utilities operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village can be divided into three fund categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Motor Fuel Tax Fund, which are considered to be major funds.

The Village adopts an annual budget for each of its governmental funds. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with these budgets.

Proprietary Funds

The Village maintains one proprietary fund, or enterprise fund. Enterprise funds are used to report the same functions and provide the same type of information, only in more detail, as presented in the business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water utilities operations.

The Village adopts an annual budget for its proprietary fund. A budgetary comparison schedule has been provided for the fund to demonstrate compliance with these budgets.

VILLAGE OF NORRIDGE, ILLINOIS

Management's Discussion and Analysis

April 30, 2023 (Unaudited)

USING THIS ANNUAL REPORT - Continued

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F., police employee pension obligations, post-employment retirement benefit obligations and budgetary comparison schedules for the General Fund and Motor Fuel Tax Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village, assets/deferred outflows exceeded liabilities/deferred inflows by \$7,826,503.

A large portion of the Village's net position, \$17,187,528, reflects its investment in capital assets (e.g. land (including rights-of-way), construction in progress, buildings, machinery and equipment, furniture and fixtures, infrastructure (including streets, storm sewers, water mains, water pumping and storage facilities, and sanitary sewers), water meters, and waterworks and sewerage system) less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position, \$1,380,851, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, a deficit of \$10,741,876, may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF NORRIDGE, ILLINOIS

**Management's Discussion and Analysis
April 30, 2023 (Unaudited)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Governmental Activities		Net Position			
			Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 16,116,372	11,188,619	5,059,158	3,619,253	21,175,530	14,807,872
Capital Assets	13,069,143	12,164,792	6,699,954	4,437,478	19,769,097	16,602,270
Total Assets	29,185,515	23,353,411	11,759,112	8,056,731	40,944,627	31,410,142
Deferred Items	5,869,413	8,096,688	176,202	—	6,045,615	8,096,688
Total Assets/Deferred Items	35,054,928	31,450,099	11,935,314	8,056,731	46,990,242	39,506,830
Long-Term Liabilities	23,004,648	22,585,709	1,466,173	1,627,239	24,470,821	24,212,948
Other Liabilities	1,095,704	567,716	598,027	229,800	1,693,731	797,516
Total Liabilities	24,100,352	23,153,425	2,064,200	1,857,039	26,164,552	25,010,464
Deferred Inflows	12,305,348	14,174,326	693,839	—	12,999,187	14,174,326
Total Liabilities/Deferred Inflows	36,405,700	37,327,751	2,758,039	1,857,039	39,163,739	39,184,790
Net Position						
Net Investment in Capital Assets	11,921,801	11,998,849	5,265,727	2,919,371	17,187,528	14,918,220
Restricted	1,380,851	1,695,472	—	—	1,380,851	1,695,472
Unrestricted (Deficit)	(14,653,424)	(19,571,973)	3,911,548	3,280,321	(10,741,876)	(16,291,652)
Total Net Position	(1,350,772)	(5,877,652)	9,177,275	6,199,692	7,826,503	322,040

Net position of the Village's governmental activities increased by 107.1 percent (deficit \$7,345,536 in 2022 as restated compared to deficit \$1,350,772 in 2023). Unrestricted net position, the part of net position that can be used to finance day-to-date operations without constraints, totaled deficit \$14,653,424 at April 30, 2023.

Net position of the Village's business-type activities increased by 15.9 percent (\$6,301,828 in 2022 as restated compared to \$9,177,275 in 2023).

VILLAGE OF NORRIDGE, ILLINOIS

Management's Discussion and Analysis

April 30, 2023 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 1,457,359	1,257,408	4,577,451	3,911,941	6,034,810	5,169,349
Operating Grants/Contributions	983,836	1,926,528	—	—	983,836	1,926,528
General Revenues						
Property Taxes	2,493,762	2,444,110	—	—	2,493,762	2,444,110
Sales Taxes	11,095,084	10,774,386	—	—	11,095,084	10,774,386
Income Taxes	2,464,232	2,305,186	—	—	2,464,232	2,305,186
Other Taxes	3,303,365	1,496,983	—	—	3,303,365	1,496,983
Unrestricted Grants	1,921,737	—	—	—	1,921,737	—
Other General Revenues	351,554	102,340	17,436	—	368,990	102,340
Total Revenues	24,070,929	20,306,941	4,594,887	3,911,941	28,665,816	24,218,882
Expenses						
General Government	1,746,456	915,985	—	—	1,746,456	915,985
Public Safety	8,193,678	7,375,373	—	—	8,193,678	7,375,373
Public Works	4,221,574	3,216,797	—	—	4,221,574	3,216,797
Village Properties	1,974,665	1,575,670	—	—	1,974,665	1,575,670
Interest on Long-Term Debt	63,922	52,102	—	28,423	63,922	80,525
Water Utilities	—	—	3,595,310	2,968,162	3,595,310	2,968,162
Total Expenses	16,200,295	13,135,927	3,595,310	2,996,585	19,795,605	16,132,512
Change in Net Position						
Before Transfers	7,870,634	7,171,014	999,577	915,356	8,870,211	8,086,370
Transfers	(1,875,870)	—	1,875,870	—	—	—
Change in Net Position	5,994,764	7,171,014	2,875,447	915,356	8,870,211	8,086,370
Net Position - Beginning as Restated	(7,345,536)	(13,048,666)	6,301,828	5,284,336	(1,043,708)	(7,764,330)
Net Position - Ending	(1,350,772)	(5,877,652)	9,177,275	6,199,692	7,826,503	322,040

VILLAGE OF NORRIDGE, ILLINOIS

Management's Discussion and Analysis

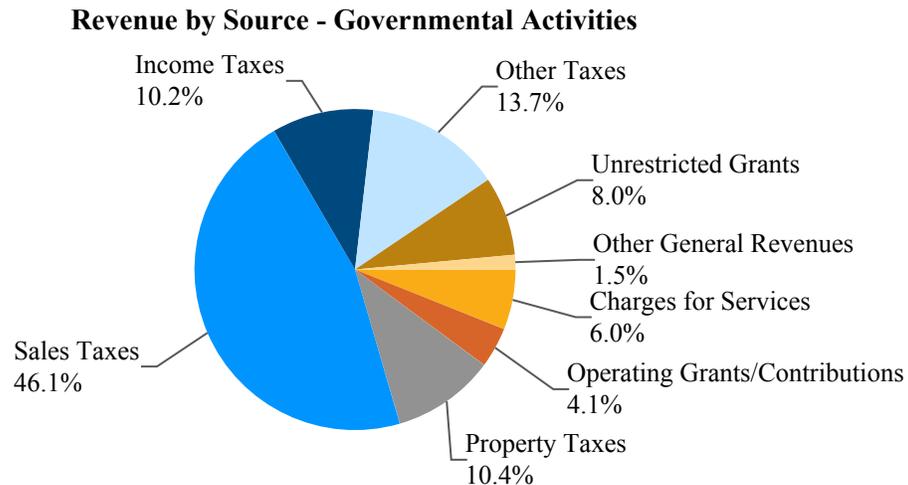
April 30, 2023 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

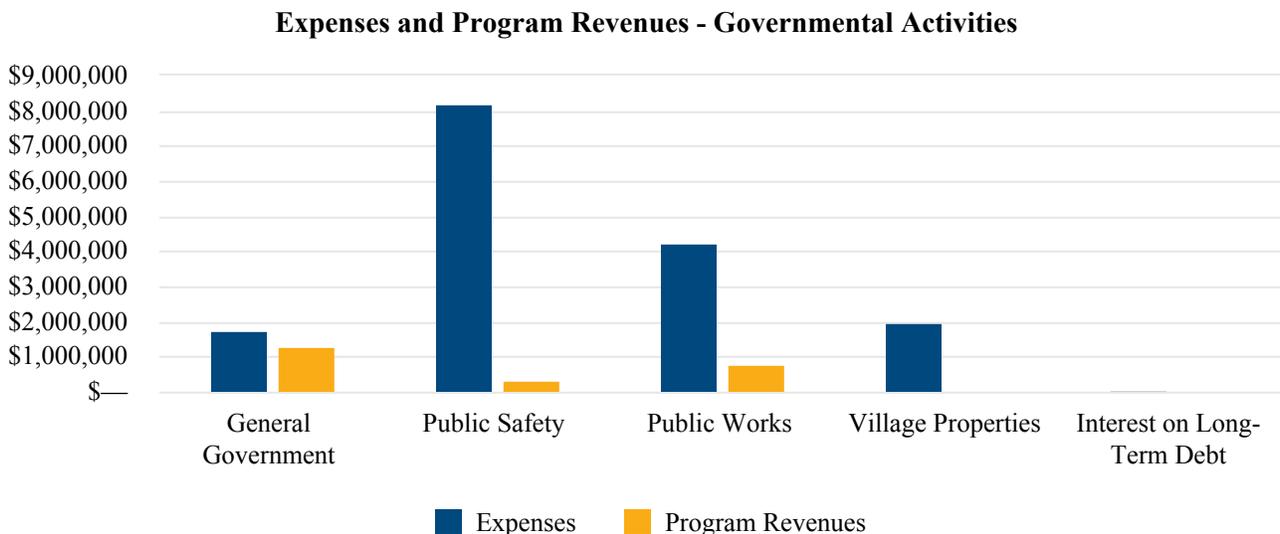
Governmental Activities

Revenues for governmental activities totaled \$24,070,929, while the cost of all governmental functions totaled \$16,200,295. This results in a surplus of \$7,870,634 prior to transfers out of \$1,875,870. In 2022, revenues of \$20,306,941 exceeded expenses of \$13,135,927, resulting in a surplus of \$7,171,014. The large surplus in 2023 was due in large part to the receipt of unrestricted grants in the amount of \$1,921,737 and increases in all other revenue categories, except for operating grants and contributions.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes, utility taxes and use taxes to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from taxes, particularly sales, property and income taxes.



The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



VILLAGE OF NORRIDGE, ILLINOIS

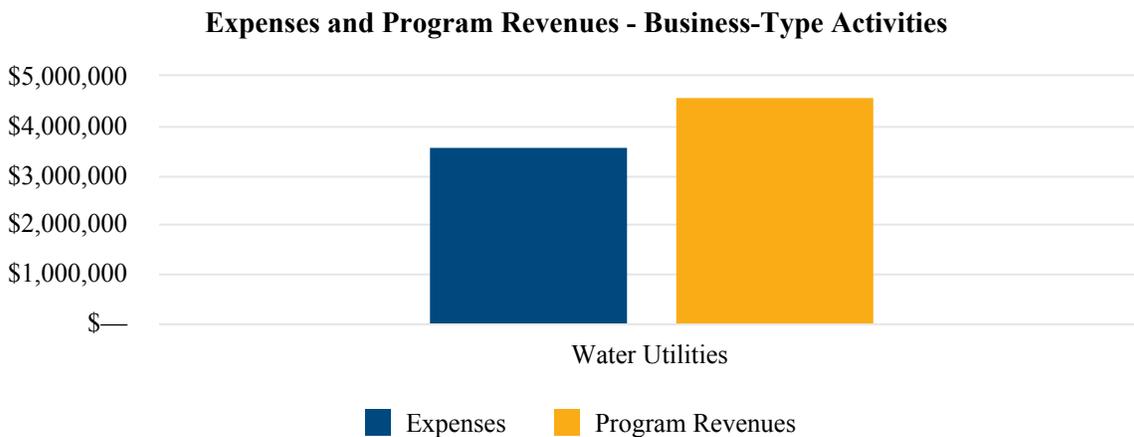
Management's Discussion and Analysis

April 30, 2023 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Business-Type Activities

Business-Type activities posted total revenues of \$4,594,887, while the cost of all business-type activities totaled \$3,595,310. This results in a surplus of \$999,577 prior to transfers in of \$1,875,870. In 2022, revenues of \$3,911,941 exceed expenses of \$2,996,585, resulting in an increase of \$915,356. The surplus in the current year is due an increase in charges for services revenue from the previous year.



The above graph compares program revenues to expenses for water utility operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$12,639,868, an increase of \$3,150,114 in comparison with the prior year. Approximately 88.2% of this total amount, \$11,146,324, is available for spending at the Village's discretion (unassigned fund balance). The remainder of fund balance is restricted to indicate that it is restricted for particular purposes (\$1,380,851).

The General Fund is the primary operating fund of the Village. As of April 30, 2023, unassigned fund balance of the General Fund was \$11,146,324. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represents 62.2% (approximately 7.5 months) of the total General Fund expenditures.

VILLAGE OF NORRIDGE, ILLINOIS

Management's Discussion and Analysis

April 30, 2023 (Unaudited)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Governmental Funds - Continued

The fund balance of the General Fund increased by \$3,513,633 to a total of \$11,259,017 fund balance at the end of the current fiscal year. The primary factors in this increase is the result of the receipt of ARPA related grant funding and an increase in sales taxes from the prior year.

The fund balance of the Motor Fuel Tax Fund decreased by \$363,519. This is a result of a planned use of reserves for road maintenance projects in the current year.

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Water Utilities Fund had an increase in net position of \$2,875,447 to a total of \$9,177,275 net position at the end of the current fiscal year. Approximately 42.6% of that total is unrestricted net position. Other factors concerning the finances of the Water Utilities Fund have already been addressed in the discussion of the Village's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village made no budget amendments to the General Fund in the current year. The General Fund actual revenues were more than the budget by \$6,056,603 or 35.2%. The most significant differences between budgeted and actual revenues included grants and other intergovernmental revenues coming in well over budget, as well as property and sales taxes.

The General Fund expenditures were higher than budget by \$122,513 or 0.7%. The less than 1.0% variance in budget was due to tight cost controlling measures put in place by management in the current year.

VILLAGE OF NORRIDGE, ILLINOIS

Management's Discussion and Analysis

April 30, 2023 (Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2023, amounts to \$19,769,097 (net of accumulated depreciation). This investment in capital assets includes land (including rights-of-way), construction in progress, buildings, machinery and equipment, furniture and fixtures, infrastructure (including streets, storm sewers, water mains, water pumping and storage facilities, and sanitary sewers), water meters, and waterworks and sewerage system.

The following schedule summarizes the Village's capital assets.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2023	2022
	2023	2022	2023	2022	2023	2022
Land	\$ 2,785,487	2,785,487	—	—	2,785,487	2,785,487
Construction in Progress	—	—	476,001	—	476,001	—
Buildings	3,670,891	3,810,272	—	—	3,670,891	3,810,272
Machinery and Equipment	912,321	585,606	—	—	912,321	585,606
Infrastructure	5,700,444	4,983,427	—	—	5,700,444	4,983,427
Water Meters	—	—	—	1,720	—	1,720
Waterworks and Sewerage System	—	—	6,223,953	4,506,852	6,223,953	4,506,852
Totals	<u>13,069,143</u>	<u>12,164,792</u>	<u>6,699,954</u>	<u>4,508,572</u>	<u>19,769,097</u>	<u>16,673,364</u>

Major capital asset events during the current fiscal year included the following:

Construction in Progress	\$ 476,001
Machinery and Equipment	563,964
Waterworks and Sewerage System	<u>2,928,863</u>
	<u>3,968,828</u>

Additional information regarding the capital assets can be found in Note 3 of this report.

VILLAGE OF NORRIDGE, ILLINOIS

Management's Discussion and Analysis

April 30, 2023 (Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At the end of the current fiscal year, the Village had total debt outstanding of \$2,581,569 (excluding compensated absences, net pension liability/(asset), and the total OPEB liability). The Village's debt decreased by \$276,656 (9.7%) during fiscal year 2023.

The following schedule summarizes the Village's indebtedness.

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Notes Payable	\$ 1,034,986	1,174,175	—	—	1,034,986	1,174,175
Installment Contract	112,356	165,943	—	—	112,356	165,943
IEPA Loans Payable	—	—	1,434,227	1,518,107	1,434,227	1,518,107
Total	<u>1,147,342</u>	<u>1,340,118</u>	<u>1,434,227</u>	<u>1,518,107</u>	<u>2,581,569</u>	<u>2,858,225</u>

Additional information regarding the Village's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2024 budget, including tax rates and fees that will be charged for its various activities. One of those factors is the local economy.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Village of Norridge, 4000 N. Olcott Avenue, Norridge, Illinois 60706.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

Proprietary Fund

Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF NORRIDGE, ILLINOIS

Statement of Net Position

April 30, 2023

See Following Page

VILLAGE OF NORRIDGE, ILLINOIS

Statement of Net Position

April 30, 2023

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 10,929,938	3,929,425	14,859,363
Receivables - Net of Allowances			
Taxes	4,566,021	—	4,566,021
Intergovernmental	54,183	—	54,183
Accounts	36,002	413,003	449,005
Leases	417,535	711,922	1,129,457
Prepays/Inventories	112,693	4,808	117,501
Total Current Assets	<u>16,116,372</u>	<u>5,059,158</u>	<u>21,175,530</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	2,785,487	476,001	3,261,488
Depreciable	25,640,933	13,208,184	38,849,117
Accumulated Depreciation	(15,357,277)	(6,984,231)	(22,341,508)
Total Capital Assets	<u>13,069,143</u>	<u>6,699,954</u>	<u>19,769,097</u>
Total Assets	<u>29,185,515</u>	<u>11,759,112</u>	<u>40,944,627</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	1,419,037	176,202	1,595,239
Deferred Items - Police Pension	4,450,376	—	4,450,376
Total Deferred Outflows of Resources	<u>5,869,413</u>	<u>176,202</u>	<u>6,045,615</u>
Total Assets and Deferred			
Outflows of Resources	<u>35,054,928</u>	<u>11,935,314</u>	<u>46,990,242</u>

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 512,765	233,428	746,193
Deposits Payable	158,000	268,038	426,038
Accrued Interest Payable	18,744	11,103	29,847
Current Portion of Long-Term Liabilities	406,195	85,458	491,653
Total Current Liabilities	<u>1,095,704</u>	<u>598,027</u>	<u>1,693,731</u>
Noncurrent Liabilities			
Compensated Absences Payable	829,108	—	829,108
Net Pension Liability - IMRF	56,642	7,033	63,675
Net Pension Liability - Police Pension	17,786,538	—	17,786,538
Total OPEB Liability - RBP	3,383,936	110,371	3,494,307
Notes Payable	891,364	—	891,364
Installment Contract	57,060	—	57,060
IEPA Loans Payable	—	1,348,769	1,348,769
Total Noncurrent Liabilities	<u>23,004,648</u>	<u>1,466,173</u>	<u>24,470,821</u>
Total Liabilities	<u>24,100,352</u>	<u>2,064,200</u>	<u>26,164,552</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,395,391	—	2,395,391
Leases	406,215	691,097	1,097,312
Grants	4,133	—	4,133
Deferred Items - IMRF	22,081	2,742	24,823
Deferred Items - Police Pension	9,477,528	—	9,477,528
Total Deferred Inflows of Resources	<u>12,305,348</u>	<u>693,839</u>	<u>12,999,187</u>
Total Liabilities and Deferred Inflows of Resources	<u>36,405,700</u>	<u>2,758,039</u>	<u>39,163,739</u>
NET POSITION			
Net Investment in Capital Assets Restricted	11,921,801	5,265,727	17,187,528
Motor Fuel Tax	1,380,851	—	1,380,851
Unrestricted (Deficit)	<u>(14,653,424)</u>	<u>3,911,548</u>	<u>(10,741,876)</u>
Total Net Position	<u>(1,350,772)</u>	<u>9,177,275</u>	<u>7,826,503</u>

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

VILLAGE OF NORRIDGE, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2023

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 1,746,456	1,152,648	163,943	—
Public Safety	8,193,678	304,711	46,501	—
Public Works	4,221,574	—	773,392	—
Village Properties	1,974,665	—	—	—
Interest on Long-Term Debt	63,922	—	—	—
Total Governmental Activities	16,200,295	1,457,359	983,836	—
Business-Type Activities				
Water Utilities	3,595,310	4,577,451	—	—
Total Primary Government	19,795,605	6,034,810	983,836	—

General Revenues
 Taxes
 Property Taxes
 Home Rule Sales Taxes
 Use Taxes
 Other
 Intergovernmental - Unrestricted
 State Sales Taxes
 State Income Taxes
 Replacement Taxes
 Unrestricted Grants
 Investment Income
 Miscellaneous
 Transfers - Internal Activity

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

Net (Expenses)/Revenues		
Governmental Activities	Business-Type Activities	Totals
(429,865)	—	(429,865)
(7,842,466)	—	(7,842,466)
(3,448,182)	—	(3,448,182)
(1,974,665)	—	(1,974,665)
(63,922)	—	(63,922)
(13,759,100)	—	(13,759,100)
—	982,141	982,141
(13,759,100)	982,141	(12,776,959)
2,493,762	—	2,493,762
6,133,070	—	6,133,070
625,377	—	625,377
2,575,389	—	2,575,389
4,962,014	—	4,962,014
2,464,232	—	2,464,232
102,599	—	102,599
1,921,737	—	1,921,737
295,475	17,436	312,911
56,079	—	56,079
(1,875,870)	1,875,870	—
19,753,864	1,893,306	21,647,170
5,994,764	2,875,447	8,870,211
(7,345,536)	6,301,828	(1,043,708)
(1,350,772)	9,177,275	7,826,503

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

VILLAGE OF NORRIDGE, ILLINOIS

**Balance Sheet - Governmental Funds
For the Fiscal Year Ended April 30, 2023**

	General	Special Revenue Motor Fuel Tax	Totals
ASSETS			
Cash and Investments	\$ 9,603,270	1,326,668	10,929,938
Receivables - Net of Allowances			
Taxes	4,566,021	—	4,566,021
Intergovernmental	—	54,183	54,183
Accounts	36,002	—	36,002
Leases	417,535	—	417,535
Prepays	112,693	—	112,693
Total Assets	<u>14,735,521</u>	<u>1,380,851</u>	<u>16,116,372</u>
LIABILITIES			
Accounts Payable	512,765	—	512,765
Deposits Payable	158,000	—	158,000
Total Liabilities	<u>670,765</u>	<u>—</u>	<u>670,765</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,395,391	—	2,395,391
Leases	406,215	—	406,215
Grants	4,133	—	4,133
Total Deferred Inflows of Resources	<u>2,805,739</u>	<u>—</u>	<u>2,805,739</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,476,504</u>	<u>—</u>	<u>3,476,504</u>
FUND BALANCES			
Nonspendable	112,693	—	112,693
Restricted	—	1,380,851	1,380,851
Unassigned	11,146,324	—	11,146,324
Total Fund Balances	<u>11,259,017</u>	<u>1,380,851</u>	<u>12,639,868</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>14,735,521</u>	<u>1,380,851</u>	<u>16,116,372</u>

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

VILLAGE OF NORRIDGE, ILLINOIS

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

April 30, 2023

Total Governmental Fund Balances	\$ 12,639,868
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	13,069,143
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	1,396,956
Deferred Items - Police Pension	(5,027,152)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,036,385)
Net Pension Liability - IMRF	(56,642)
Net Pension Liability - Police Pension	(17,786,538)
Total OPEB Liability - RBP	(3,383,936)
Notes Payable	(1,034,986)
Installment Contract	(112,356)
Accrued Interest Payable	(18,744)
Net Position of Governmental Activities	<u>(1,350,772)</u>

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

VILLAGE OF NORRIDGE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2023

	General	Special Revenue Motor Fuel Tax	Totals
Revenues			
Taxes	\$ 11,827,598	—	11,827,598
Intergovernmental	9,661,026	773,392	10,434,418
Licenses, Permits and Fees	920,678	—	920,678
Fines and Forfeitures	429,433	—	429,433
Charges for Services	107,248	—	107,248
Investment Income	258,488	36,987	295,475
Miscellaneous	56,079	—	56,079
Total Revenues	<u>23,260,550</u>	<u>810,379</u>	<u>24,070,929</u>
Expenditures			
General Government	2,230,249	—	2,230,249
Public Safety	9,404,288	—	9,404,288
Public Works	4,116,545	1,173,898	5,290,443
Village Properties	1,920,675	—	1,920,675
Debt Service			
Principal Retirement	192,776	—	192,776
Interest and Fiscal Charges	45,178	—	45,178
Total Expenditures	<u>17,909,711</u>	<u>1,173,898</u>	<u>19,083,609</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,350,839</u>	<u>(363,519)</u>	<u>4,987,320</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	38,664	—	38,664
Transfers Out	(1,875,870)	—	(1,875,870)
	<u>(1,837,206)</u>	<u>—</u>	<u>(1,837,206)</u>
Net Change in Fund Balances	3,513,633	(363,519)	3,150,114
Fund Balances - Beginning as Restated	<u>7,745,384</u>	<u>1,744,370</u>	<u>9,489,754</u>
Fund Balances - Ending	<u>11,259,017</u>	<u>1,380,851</u>	<u>12,639,868</u>

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

VILLAGE OF NORRIDGE, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended April 30, 2023**

Net Change in Fund Balances - Total Governmental Funds **\$ 3,150,114**

Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital Outlays	1,571,090
Depreciation Expense	(666,739)
Disposals - Cost	(38,664)
Disposals - Accumulated Depreciation	38,664

The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - IMRF	3,834,427
Change in Deferred Items - Police Pension	(1,682,460)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	(70,415)
Change in Net Pension Liability/(Asset) - IMRF	(3,612,045)
Change in Net Pension Liability - Police Pension	2,916,381
Change in Total OPEB Liability - RBP	380,379
Retirement of Debt	192,776

Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

(18,744)

Changes in Net Position of Governmental Activities

5,994,764

VILLAGE OF NORRIDGE, ILLINOIS

Statement of Net Position - Proprietary Fund

April 30, 2023

	Business-Type Activities
	<u>Water Utilities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 3,929,425
Receivables - Net of Allowances	
Accounts	413,003
Leases	711,922
Inventories	4,808
Total Current Assets	<u>5,059,158</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	476,001
Depreciable	13,208,184
Accumulated Depreciation	<u>(6,984,231)</u>
Total Noncurrent Assets	<u>6,699,954</u>
Total Assets	11,759,112
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>176,202</u>
Total Assets and Deferred Outflows of Resources	<u>11,935,314</u>

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

	Business-Type Activities
	Water Utilities
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 233,428
Deposits Payable	268,038
Accrued Interest Payable	11,103
Current Portion of Long-Term Debt	85,458
Total Current Liabilities	<u>598,027</u>
Noncurrent Liabilities	
Net Pension Liability - IMRF	7,033
Total OPEB Liability - RBP	110,371
IEPA Loans Payable	1,348,769
Total Noncurrent Liabilities	<u>1,466,173</u>
Total Liabilities	<u>2,064,200</u>
DEFERRED INFLOWS OF RESOURCES	
Leases	691,097
Deferred Items - IMRF	2,742
Total Deferred Inflows of Resources	<u>693,839</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,758,039</u>
NET POSITION	
Net Investment in Capital Assets	5,265,727
Unrestricted	<u>3,911,548</u>
Total Net Position	<u><u>9,177,275</u></u>

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

VILLAGE OF NORRIDGE, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund
For the Fiscal Year Ended April 30, 2023

	Business-Type Activities
	Water Utilities
Operating Revenues	
Water Charges	\$ 4,483,078
Permits and Fees	94,373
Total Operating Revenues	<u>4,577,451</u>
Operating Expenses	
Operations	3,350,354
Depreciation	206,356
Total Operating Expenses	<u>3,556,710</u>
Operating Income	<u>1,020,741</u>
Nonoperating Revenues (Expenses)	
Investment Income	17,436
Interest Expense	(38,600)
	<u>(21,164)</u>
Income Before Transfers	999,577
Transfers In	<u>1,875,870</u>
Change in Net Position	2,875,447
Net Position - Beginning as Restated	<u>6,301,828</u>
Net Position - Ending	<u><u>9,177,275</u></u>

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

VILLAGE OF NORRIDGE, ILLINOIS

**Statement of Cash Flows - Proprietary Fund
For the Fiscal Year Ended April 30, 2023**

	Business-Type Activities
	Water Utilities
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 3,555,534
Payments to Employees	266,268
Payments to Suppliers	<u>(2,636,870)</u>
	<u>1,184,932</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	<u>1,875,870</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(2,397,738)
Principal Paid on Debt	(83,880)
Interest Paid on Debt	<u>(38,600)</u>
	<u>(2,520,218)</u>
Cash Flows from Investing Activities	
Investment Income	<u>17,436</u>
Net Change in Cash and Cash Equivalents	558,020
Cash and Cash Equivalents - Beginning	<u>3,371,405</u>
Cash and Cash Equivalents - Ending	<u><u>3,929,425</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	1,020,741
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in)	
Operating Activities	
Depreciation	206,356
(Increase) Decrease in Current Assets	(1,021,917)
Increase (Decrease) in Current Liabilities	<u>979,752</u>
Net Cash Provided by Operating Activities	<u><u>1,184,932</u></u>

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

VILLAGE OF NORRIDGE, ILLINOIS

Statement of Fiduciary Net Position

April 30, 2023

	<u>Pension Trust Police Pension</u>
ASSETS	
Cash and Cash Equivalents	\$ 4,328,204
Investments	
Illinois Police Officer's Pension Investment Fund	33,838,747
Receivables	
Other	<u>467</u>
Total Assets	38,167,418
LIABILITIES	
Accounts Payable	<u>162,885</u>
NET POSITION	
Restricted for Pensions	<u><u>38,004,533</u></u>

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

VILLAGE OF NORRIDGE, ILLINOIS

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2023

	Pension Trust <u>Police Pension</u>
Additions	
Contributions - Employer	\$ 2,408,162
Contributions - Plan Members	<u>365,586</u>
Total Contributions	<u>2,773,748</u>
Investment Earnings	
Interest Earned	525,585
Net Change in Fair Value	<u>327,800</u>
	853,385
Less Investment Expenses	<u>(13,971)</u>
Net Investment Income	<u>839,414</u>
Total Additions	<u>3,613,162</u>
Deductions	
Administration	52,188
Benefits and Refunds	<u>2,766,657</u>
Total Deductions	<u>2,818,845</u>
Change in Fiduciary Net Position	794,317
Net Position Restricted for Pensions	
Beginning	<u>37,210,216</u>
Ending	<u>38,004,533</u>

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

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

The Village of Norridge, Illinois (Village) was incorporated December 4, 1948 and became a home-rule municipality by referendum on May 1, 1973. The Village is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village provides a broad range of services to citizens, including general government, public safety, public works, village properties and water utility services.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there is one fiduciary component unit that is required to be included in the financial statements of the Village as a pension trust fund and there are no discretely component units to include in the reporting entity.

Blended Component Units

Police Pension Employees Retirement System

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

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, community development, planning and zoning, and general administrative services are classified as governmental activities. The Village's waterworks and sewerage services are classified as business-type activities.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, income taxes, investment income, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

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

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Motor Fuel Tax Fund, a major fund, is used to account for motor fuel tax allocations from the State of Illinois and expenditures related to the Village's annual road rehabilitation and construction program.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund. The Water Utilities Fund is used to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force.

The Village's fiduciary fund is presented in the fiduciary fund financial statements by type (pension trust). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, this fund is not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, income taxes, licenses, investment income, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services.

The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows,” cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Cash and Investments - Continued

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, utility taxes and grants. Business-type activities report utility charges as their major receivables.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays/Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Capital Assets

Capital assets purchased or acquired with an original cost of at least \$25,000, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets - Continued

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	25 - 50 Years
Machinery and Equipment	3 - 10 Years
Infrastructure	20 - 50 Years
Water Meters	20 Years
Waterworks and Sewerage System	40 Years

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

The Village accrues accumulated unpaid vacation and sick leave (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Compensated Absences - Continued

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

Use of Estimates

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 31, the Village President submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the prior May 1. the operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Village Hall to obtain taxpayer comments.
3. Prior to July 31, the budget is legally enacted through passage of an ordinance.
4. Formal budgetary integration is employed as a management control devise during the year for all funds.
5. Budget for all funds is adopted and monitored throughout the year on a cash basis.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, which is the price for which the investment could be sold.

Village

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$6,909,547 and the bank balances totaled \$7,142,178. The Village also had \$7,949,816 invested in Illinois Funds.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy does not specifically address interest rate risk. The Village's investments in Illinois Funds have an average maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Village's investment policy further states that safety of principal is the foremost objective of the Village. The Village's investments in the Illinois Funds were rated AAA by Fitch.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by the Village or a third party in the Village's name. At year-end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance, and represents cash at paying agent for debt service payments.

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

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund

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 comprehensive financial report, which can be obtained from IFPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org.

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 \$4,328,204 and the bank balances totaled \$3,788,902.

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 Fund's investment policy does not require pledging of collateral for all bank balance in excess of Federal Deposit Insurance, since flow-through FDIC coverage is available for the Fund's deposits. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

Investments. At year-end the Fund has \$33,838,747 invested in IPOPIF. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year-end. The fund may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Policy. IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 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

At year-end, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.05%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES

Property taxes for 2022 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically.

INTERFUND TRANSFERS

Interfund transfers for the fiscal year consisted of the following:

Transfer In	Transfer Out	Amount
Water Utilities	General	\$ 1,875,870

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

LEASES RECEIVABLE

On May 1, 2022, the Village entered into a 70 month lease as Lessor for the use of CCATT - Cell Tower. An initial lease receivable was recorded in the amount of \$194,341. As of April 30, 2023, the value of the lease receivable is \$165,701. The lessee is required to make monthly fixed payments of \$2,708. The lease has an interest rate of 2.2170%. The value of the deferred inflow of resources as of April 30, 2023 was \$161,494, and the Village recognized lease revenue of \$32,846 during the fiscal year.

On May 1, 2022, the Village entered into a 121 month lease as Lessor for the use of Public Works Cell Tower. An initial lease receivable was recorded in the amount of \$406,050. As of April 30, 2023, the value of the lease receivable is \$377,562. The lessee is required to make monthly fixed payments of \$3,177. The lease has an interest rate of 2.4520%. The value of the deferred inflow of resources as of April 30, 2023 was \$365,780, and the Village recognized lease revenue of \$40,269 during the fiscal year. The lessee has 1 extension option for 60 months.

On May 1, 2022, the Village entered into a 77 month lease as Lessor for the use of Water Tower Cell Tower Lease. An initial lease receivable was recorded in the amount of \$193,609. As of April 30, 2023, the value of the lease receivable is \$168,659. The lessee is required to make monthly fixed payments of \$2,394. The lease has an interest rate of 2.2770%. The value of the deferred inflow of resources as of April 30, 2023 was \$163,823, and the Village recognized lease revenue of \$29,786 during the fiscal year. The lessee has 1 extension option for 60 months.

On May 1, 2022, the Village entered into a 121 month lease as Lessor for the use of Estelle Sieb Community Center - Cell Tower. An initial lease receivable was recorded in the amount of \$404,726. As of April 30, 2023, the value of the lease receivable is \$376,205. The lessee is required to make monthly fixed payments of \$3,177. The lease has an interest rate of 2.4520%. The value of the deferred inflow of resources as of April 30, 2023 was \$364,588, and the Village recognized lease revenue of \$40,138 during the fiscal year. The lessee has 1 extension option for 60 months.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LEASES RECEIVABLE - Continued

On May 1, 2022, the Village entered into a 300 month lease as Lessor for the use of Ozark Light Pole - Cell Tower. An initial lease receivable was recorded in the amount of \$43,417. As of April 30, 2023, the value of the lease receivable is \$41,330. The lessee is required to make annual fixed payments of \$2,400. The lease has an interest rate of 2.8760%. The value of the deferred inflow of resources as of April 30, 2023 was \$41,627, and the Village recognized lease revenue of \$1,790 during the fiscal year. The lessee has 1 extension option for 60 months.

The future minimum leased assets and the net present value of these minimum lease receipts as of year-end, are as follows:

Fiscal Year	Principal	Interest
2024	\$ 119,170	25,922
2025	127,441	23,024
2026	136,116	19,924
2027	145,213	16,614
2028	151,423	13,086
2029	107,018	9,885
2030	95,072	7,509
2031	101,487	5,100
2032	108,225	2,530
2033	10,770	856
2034	1,608	792
2035	1,655	745
2036	1,702	698
2037	1,751	649
2038	1,802	598
2039	1,853	547
2040	1,907	493
2041	1,962	438
2042	2,054	382
2043	2,113	323
2044	2,174	262
2045	2,236	200
2046	2,301	135
2047	2,404	70
	<u>1,129,457</u>	<u>130,782</u>

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the fiscal year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 2,785,487	—	—	2,785,487
Depreciable Capital Assets				
Buildings	6,969,065	—	—	6,969,065
Machinery and Equipment	4,726,973	563,964	38,664	5,252,273
Infrastructure	12,412,469	1,007,126	—	13,419,595
	<u>24,108,507</u>	<u>1,571,090</u>	<u>38,664</u>	<u>25,640,933</u>
Less Accumulated Depreciation				
Buildings	3,158,793	139,381	—	3,298,174
Equipment	4,141,367	237,249	38,664	4,339,952
Infrastructure	7,429,042	290,109	—	7,719,151
	<u>14,729,202</u>	<u>666,739</u>	<u>38,664</u>	<u>15,357,277</u>
Total Net Depreciable Capital Assets	<u>9,379,305</u>	<u>904,351</u>	<u>—</u>	<u>10,283,656</u>
Total Net Capital Assets	<u>12,164,792</u>	<u>904,351</u>	<u>—</u>	<u>13,069,143</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 87,217
Public Safety	133,690
Public Works	305,832
Village Properties	<u>140,000</u>
	<u>666,739</u>

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the fiscal year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Construction in Progress	\$ —	476,001	—	476,001
Depreciable Capital Assets				
Machinery and Equipment	22,375	—	—	22,375
Furniture and Fixtures	452,923	—	—	452,923
Water Meters	2,304,518	—	—	2,304,518
Waterworks and Sewerage System	8,506,631	1,921,737	—	10,428,368
	<u>11,286,447</u>	<u>1,921,737</u>	<u>—</u>	<u>13,208,184</u>
Less Accumulated Depreciation				
Machinery and Equipment	22,375	—	—	22,375
Furniture and Fixtures	452,923	—	—	452,923
Water Meters	2,302,798	1,720	—	2,304,518
Waterworks and Sewerage System	3,999,779	204,636	—	4,204,415
	<u>6,777,875</u>	<u>206,356</u>	<u>—</u>	<u>6,984,231</u>
Total Net Depreciable Capital Assets	<u>4,508,572</u>	<u>1,715,381</u>	<u>—</u>	<u>6,223,953</u>
Total Net Capital Assets	<u>4,508,572</u>	<u>2,191,382</u>	<u>—</u>	<u>6,699,954</u>

Depreciation expense of \$206,356 was charged to the water utilities business-type activity.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

Notes Payable

The Village enters into notes payable to provide funds for acquisition of capital assets. Notes payable have been issued for the governmental activities. Notes payable are direct obligations and pledge the full faith and credit of the Village. Notes payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Note Payable of 2019 - Due in annual installments of \$87,856 to \$175,828 plus interest at 3.50% through May 7, 2029.	General	\$ 1,174,175	—	139,189	1,034,986

Illinois Environmental Protection Agency (IEPA) Loans

The Village has entered into three loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. IEPA loans have been issued for business-type activities only. The IEPA loans pledge net water and sewer revenues. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Environmental Protection Agency Loan Payable of 2012, due in semi-annual installments of \$22,591 including interest at 2.295% through January 23, 2033.	Water Utilities	\$ 218,513	—	17,677	200,836
Illinois Environmental Protection Agency Loan Payable of 2018, due in semi-annual installments of \$88,786 including interest at 1.76% through November 16, 2038.	Water Utilities	\$ 1,299,594	—	66,203	1,233,391
		<u>1,518,107</u>	<u>—</u>	<u>83,880</u>	<u>1,434,227</u>

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Installment Contract Payable

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Installment Contract (Elgin Crosswind Streetsweeper) of 2020 - Due in annual installments of \$50,325 to \$57,060 plus interest at 3.19% through January 22, 2025.	General	\$ 165,943	—	53,587	112,356

Long-Term Liabilities Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 965,970	140,830	70,415	1,036,385	207,277
Net Pension Liability - Police Pension	20,702,919	—	2,916,381	17,786,538	—
Net Pension Liability/(Asset) - IMRF	(3,555,403)	3,612,045	—	56,642	—
Total OPEB Liability - RBP	3,764,315	—	380,379	3,383,936	—
Notes Payable	1,174,175	—	139,189	1,034,986	143,622
Installment Contract	165,943	—	53,587	112,356	55,296
	<u>23,217,919</u>	<u>3,752,875</u>	<u>3,559,951</u>	<u>23,410,843</u>	<u>406,195</u>
Business-Type Activities					
Net Pension Liability/(Asset) - IMRF	(430,993)	438,026	—	7,033	—
Total OPEB Liability - RBP	140,646	—	30,275	110,371	—
IEPA Loans Payable	1,518,107	—	83,880	1,434,227	85,458
	<u>1,227,760</u>	<u>438,026</u>	<u>114,155</u>	<u>1,551,631</u>	<u>85,458</u>

For governmental activities, the compensated absences, the net pension liabilities/(asset), the total OPEB liability, the notes payable, and the installment contracts are liquidated by the General Fund.

For business-type activities, the Water Utilities Fund makes payments on the net pension liability/(asset), the total OPEB liability, and the IEPA loans payable.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. “The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.” To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities				Business-Type Activities	
	Notes Payable		Installment Contract Payable		IEPA Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 143,622	35,452	55,296	3,584	85,458	25,919
2025	148,675	30,399	57,060	1,820	87,066	135,688
2026	154,086	24,988	—	—	88,705	134,049
2027	159,603	19,471	—	—	90,376	132,378
2028	165,317	13,757	—	—	92,078	130,676
2029	175,828	3,246	—	—	93,814	128,940
2030	87,855	1,547	—	—	95,581	127,173
2031	—	—	—	—	97,383	125,371
2032	—	—	—	—	99,219	123,535
2033	—	—	—	—	101,090	121,664
2034	—	—	—	—	80,277	97,295
2035	—	—	—	—	81,696	95,876
2036	—	—	—	—	83,140	94,432
2037	—	—	—	—	84,610	92,962
2038	—	—	—	—	86,106	91,466
2039	—	—	—	—	87,628	89,944
Totals	1,034,986	128,860	112,356	5,404	1,434,227	1,747,368

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS

In the governmental funds' financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Fund Balance Classifications. The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Motor Fuel Tax	Totals
Fund Balances			
Nonspendable			
Prepays	\$ 112,693	—	112,693
Restricted			
Motor Fuel Tax	—	1,380,851	1,380,851
Unassigned	11,146,324	—	11,146,324
Total Fund Balances	11,259,017	—	12,639,868

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of April 30, 2023:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	13,069,143
Less Capital Related Debt:		
Note Payable of 2019		(1,034,986)
Installment Contract of 2020		<u>(112,356)</u>
Net Investment in Capital Assets		<u><u>11,921,801</u></u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		6,699,954
Less Capital Related Debt:		
IEPA Loan Payable of 2012		(200,836)
IEPA Loan Payable of 2018		<u>(1,233,391)</u>
Net Investment in Capital Assets		<u><u>5,265,727</u></u>

NET POSITION RESTATEMENTS

Beginning net position was restated due to corrections of errors in the reporting of various receivables, prepaids, and grant revenues in prior years. The following is a summary of the net position as originally reported and as restated:

Fund Balance/Net Position	As Reported	As Restated	Increases/ (Decreases)
Governmental Activities	\$ (5,877,652)	(7,345,536)	(1,467,884)
Business-Type Activities	6,199,692	6,301,828	102,136
General	9,267,294	7,745,384	(1,521,910)
Motor Fuel Tax	1,695,472	1,744,370	48,898
Water Utilities	6,199,692	6,301,828	102,136

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks are provided for through a limited insurance program and private insurance coverage. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years. The Village currently reports all its risk management activities in its insurance fund.

CONTINGENT LIABILITIES

Litigation

From time to time, the Village is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

Intergovernmental Agreement and Debt Guarantee

The Village entered into an intergovernmental agreement with the Village of Harwood Heights and the Village of Schiller Park to establish a joint emergency telephone system, referred to as the Municipal Consolidated Dispatch (MCD). The MCD financed the initial costs of its operations with a \$2,000,000 line of credit from Parkway Bank. On January 25, 2017, the Village adopted an ordinance pledging its full faith and credit to the repayment of the Village's allocated share of the loan. Since MCD has been satisfying the terms of the line of credit, the Village does not feel it is probable that it will be required to satisfy its share of the debt at this time. During the fiscal year ended April 30, 2023, the Village paid \$621,192 to MCD towards operating costs.

Tax Abatements

In August 2016, the Village entered into an agreement with a Developer to provide the Developer a maximum of up to \$4,200,000 of amusement taxes collected by the Village. Through April 30, 2023, the Village has reimbursed \$1,269,506, including \$245,296 in the current year. All payments have been recorded as an expenditure of the General Fund.

In March 2022, the Village entered into an agreement with a Developer to reimburse up to \$6,500,000 of eligible expenditures from business district retailer's occupation taxes collected by the Village. The reimbursements are to be made on a pari-passu basis, with variable percentages distributed to each party based on the cumulative reimbursements to date under the terms of the agreement. The reimbursements to the Developer are exclusive of any costs incurred by the Village to establish and annually administer the Business District. As of April 30, 2023, the Village has received \$1,021,001 of business district retailer's occupation taxes, in which \$356,706 has been accrued as an expense payable to the Developer in the Village's General Fund for the Developer's share of taxes.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. Separate reports are issued for the Police Pension Plan and may be obtained by writing to the Village at 4000 N. Olcott Avenue, Norridge, Illinois 60706. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amounts recognized for the pension plans are:

	Pension Expense/ (Revenue)	Net Pension Liability	Deferred Outflows	Deferred Inflows
IMRF	\$ (157,769)	63,675	1,595,239	24,823
Police Pension	1,174,241	17,786,538	4,450,376	9,477,528
	<u>1,016,472</u>	<u>17,850,213</u>	<u>6,045,615</u>	<u>9,502,351</u>

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters’ Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources’ measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date.).

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

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	55
Inactive Plan Members Entitled to but not yet Receiving Benefits	18
Active Plan Members	<u>30</u>
Total	<u><u>103</u></u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year-ended April 30, 2023, the Village's contribution was 4.43% of covered payroll.

Net Pension Liability/(Asset). The Village's net pension liability/(asset) was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liabilities were determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

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

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

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 2,248,666	63,675	(1,633,645)

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2021	\$ 18,475,177	22,461,573	(3,986,396)
Changes for the Year:			
Service Cost	215,189	—	215,189
Interest on the Total Pension Liability	1,318,885	—	1,318,885
Difference Between Expected and Actual Experience of the Total Pension Liability	173,036	—	173,036
Changes of Assumptions	—	—	—
Contributions - Employer	—	120,254	(120,254)
Contributions - Employees	—	97,503	(97,503)
Net Investment Income	—	(2,600,170)	2,600,170
Benefit Payments, Including Refunds of Employee Contributions	(782,495)	(782,495)	—
Other (Net Transfer)	—	39,452	(39,452)
Net Changes	924,615	(3,125,456)	4,050,071
Balances at December 31, 2022	19,399,792	19,336,117	63,675

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the fiscal year ended April 30, 2023, the Village recognized pension revenue of \$157,769. At April 30, 2023, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 101,290	(24,823)	76,467
Change in Assumptions	—	—	—
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	1,477,873	—	1,477,873
Total Pension Expense to be Recognized in Future Periods	1,579,163	(24,823)	1,554,340
Pension Contributions Made			
Subsequent to the Measurement Date	16,076	—	16,076
Total Deferred Amounts Related to IMRF	<u>1,595,239</u>	<u>(24,823)</u>	<u>1,570,416</u>

\$16,076 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability/(asset) in the reporting year ended April 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ (38,568)
2025	270,608
2026	480,380
2027	841,920
2028	—
Thereafter	—
Totals	<u>1,554,340</u>

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2023, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	33
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>36</u>
Total	<u><u>73</u></u>

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

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

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

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - Continued

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the fiscal year-ended April 30, 2023, the Village's contribution was 65.54% of covered payroll.

Concentrations. At year-end, the Pension Fund does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2023, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.75% to 9.71%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates are based on the PubS-2010(A) Study improved fully generationally using MP-2019 Improvement Rates.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Discount Rate

A Single Discount Rate of 6.93% was used to measure the total pension liability and the prior year used a discount rate of 6.27%. 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 7.00%, the municipal bond rate is 3.53%, and the resulting single discount rate is 6.93%.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.93%)	Current Discount Rate (6.93%)	1% Increase (7.93%)
Net Pension Liability	\$ 25,228,762	17,786,538	11,655,415

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2022	\$ 57,913,135	37,210,216	20,702,919
Changes for the Year:			
Service Cost	1,056,840	—	1,056,840
Interest on the Total Pension Liability	3,596,554	—	3,596,554
Changes of Benefit Terms	(54,458)	—	(54,458)
Difference Between Expected and Actual Experience of the Total Pension Liability	789,700	—	789,700
Changes of Assumptions	(4,744,043)	—	(4,744,043)
Contributions - Employer	—	2,408,162	(2,408,162)
Contributions - Employees	—	365,586	(365,586)
Net Investment Income	—	839,414	(839,414)
Benefit Payments, Including Refunds of Employee Contributions	(2,766,657)	(2,766,657)	—
Other (Net Transfer)	—	(52,188)	52,188
Net Changes	(2,122,064)	794,317	(2,916,381)
Balances at April 30, 2023	55,791,071	38,004,533	17,786,538

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

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

For the fiscal year ended April 30, 2023, the Village recognized pension expense of \$1,174,241. At April 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 811,046	(3,403,089)	(2,592,043)
Change in Assumptions	1,950,988	(6,074,439)	(4,123,451)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,688,342	—	1,688,342
Total Deferred Amounts Related to Police Pension	<u>4,450,376</u>	<u>(9,477,528)</u>	<u>(5,027,152)</u>

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

Fiscal Year	Net Deferred (Inflows) of Resources
2024	\$ (626,305)
2025	(1,324,141)
2026	(757,618)
2027	(1,403,037)
2028	(776,184)
Thereafter	<u>(139,867)</u>
Total	<u>(5,027,152)</u>

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides medical insurance for eligible retirees and their dependents through the Village's group health insurance plan, which covers both active and retired members. Benefit provisions are established and amended by the Village Board.

Plan Membership. As of April 30, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	11
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>56</u>
Total	<u><u>67</u></u>

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary Increases	Not applicable
Discount Rate	3.53%
Healthcare Cost Trend Rates	Initial rate of 4.70% in 2023 decreasing to an ultimate rate of 4.20% in year 2028 and later years.
Retirees' Share of Benefit-Related Costs	100% of Projected Health Insurance Premiums for Retirees

The discount rate was based on the Bond Buyer 20-Bond GO Index.

Mortality rates were based on Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2022	<u>\$ 3,904,961</u>
Changes for the Year:	
Service Cost	118,993
Interest on the Total OPEB Liability	127,702
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(565,187)
Benefit Payments	<u>(92,162)</u>
Net Changes	<u>(410,654)</u>
Balance at April 30, 2023	<u><u>3,494,307</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 3.53%, while the prior valuation used 3.21%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.53%)	Current Discount Rate (3.53%)	1% Increase (4.53%)
Total OPEB Liability	\$ 3,529,068	3,494,307	2,893,993

VILLAGE OF NORRIDGE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 3,114,299	3,494,307	3,947,075

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

Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB. For the fiscal year ended April 30, 2023, the Village recognized OPEB revenue of \$318,492.

SUBSEQUENT EVENT

On October 11, 2023, the Village issued a Promissory Note, Series 2023 in the amount not to exceed \$4,000,000 with an interest rate of 5.95% for the purchase of land.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
 Illinois Municipal Retirement Fund
 Police Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
 Illinois Municipal Retirement Fund
 Police Pension Fund
- Schedule of Investment Returns
 Police Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
 Retiree Benefit Plan
- Budgetary Comparison Schedules
 General Fund
 Motor Fuel Tax - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on the cash basis of accounting.

VILLAGE OF NORRIDGE, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
April 30, 2023**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 365,293	\$ 365,293	\$ —	\$ 3,198,715	11.42%
2017	363,549	363,549	—	3,189,024	11.40%
2018	316,725	316,725	—	2,954,527	10.72%
2019	247,571	247,571	—	2,346,643	10.55%
2020	191,820	191,820	—	2,267,366	8.46%
2021	230,691	230,691	—	2,108,696	10.94%
2022	220,553	220,553	—	2,135,077	10.33%
2023	95,522	95,522	—	2,155,634	4.43%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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

VILLAGE OF NORRIDGE, ILLINOIS

Police Pension Fund

Schedule of Employer Contributions

April 30, 2023

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,023,355	\$ 1,028,552	\$ 5,197	\$ 3,472,235	29.62%
2016	1,090,581	1,084,796	(5,785)	3,391,915	31.98%
2017	1,100,892	1,148,468	47,576	3,413,460	33.65%
2018	1,291,900	1,157,860	(134,040)	3,524,397	32.85%
2019	1,857,408	1,223,330	(634,078)	3,559,782	34.37%
2020	1,976,241	1,849,979	(126,262)	3,654,034	50.63%
2021	2,117,467	2,239,394	121,927	3,457,054	64.78%
2022	2,231,989	2,444,110	212,121	3,490,785	70.02%
2023	2,407,906	2,408,162	256	3,674,511	65.54%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	16 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.75% - 9.71%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Pub-2010 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

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

VILLAGE OF NORRIDGE, ILLINOIS

Illinois Municipal Retirement Fund

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

April 30, 2023

See Following Page

VILLAGE OF NORRIDGE, ILLINOIS

Illinois Municipal Retirement Fund

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

April 30, 2023

	<u>12/31/2015</u>	<u>12/31/2016</u>
Total Pension Liability		
Service Cost	\$ 356,178	362,038
Interest	1,064,859	1,110,494
Differences Between Expected and Actual Experience	(377,128)	(241,961)
Change of Assumptions	19,122	(39,620)
Benefit Payments, Including Refunds of Member Contributions	(426,677)	(447,026)
Net Change in Total Pension Liability	636,354	743,925
Total Pension Liability - Beginning	<u>14,252,320</u>	<u>14,888,674</u>
 Total Pension Liability - Ending	 <u><u>14,888,674</u></u>	 <u><u>15,632,599</u></u>
 Plan Fiduciary Net Position		
Contributions - Employer	\$ 365,293	363,549
Contributions - Members	144,320	143,506
Net Investment Income	65,746	908,735
Benefit Payments, Including Refunds of Member Contributions	(426,677)	(447,026)
Other (Net Transfer)	(274,431)	49,400
Net Change in Plan Fiduciary Net Position	(125,749)	1,018,164
Plan Net Position - Beginning	<u>13,107,651</u>	<u>12,981,902</u>
 Plan Net Position - Ending	 <u><u>12,981,902</u></u>	 <u><u>14,000,066</u></u>
 Employer's Net Pension Liability/(Asset)	 <u><u>\$ 1,906,772</u></u>	 <u><u>1,632,533</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 87.19%	 89.56%
 Covered Payroll	 \$ 3,198,715	 3,189,024
 Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	 59.61%	 51.19%

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017.

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
336,480	244,686	254,324	244,773	213,997	215,189
1,167,068	1,165,811	1,246,090	1,284,857	1,276,397	1,318,885
(456,481)	356,625	(152,888)	(669,073)	(146,715)	173,036
(485,805)	503,617	—	(126,921)	—	—
(479,878)	(584,366)	(680,146)	(935,920)	(733,954)	(782,495)
81,384	1,686,373	667,380	(202,284)	609,725	924,615
15,632,599	15,713,983	17,400,356	18,067,736	17,865,452	18,475,177
15,713,983	17,400,356	18,067,736	17,865,452	18,475,177	19,399,792
316,725	247,571	191,820	230,691	220,553	120,254
164,568	110,192	102,031	94,891	96,604	97,503
2,324,693	(686,309)	2,738,676	2,471,886	3,222,259	(2,600,170)
(479,878)	(584,366)	(680,146)	(935,920)	(733,954)	(782,495)
(372,649)	335,580	141,357	51,689	(127,057)	39,452
1,953,459	(577,332)	2,493,738	1,913,237	2,678,405	(3,125,456)
14,000,066	15,953,525	15,376,193	17,869,931	19,783,168	22,461,573
15,953,525	15,376,193	17,869,931	19,783,168	22,461,573	19,336,117
(239,542)	2,024,163	197,805	(1,917,716)	(3,986,396)	63,675
101.52%	88.37%	98.91%	110.73%	121.58%	99.67%
2,954,527	2,346,643	2,267,366	2,108,696	2,135,077	2,166,739
(8.11%)	86.26%	8.72%	(90.94%)	(186.71%)	2.94%

VILLAGE OF NORRIDGE, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2023

	4/30/2015	4/30/2016	4/30/2017
Total Pension Liability			
Service Cost	\$ 763,448	722,594	749,977
Interest	2,588,780	2,863,849	2,994,336
Differences Between Expected and Actual Experience	—	—	452,361
Change of Assumptions	(147,088)	(3,164,904)	884,615
Change of Benefit Terms	2,599,093	4,340,899	—
Benefit Payments, Including Refunds of Member Contributions	(1,835,622)	(1,913,751)	(2,136,948)
Net Change in Total Pension Liability	3,968,611	2,848,687	2,944,341
Total Pension Liability - Beginning	37,900,388	41,868,999	44,717,686
Total Pension Liability - Ending	41,868,999	44,717,686	47,662,027
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,028,552	1,084,796	1,148,468
Contributions - Members	330,106	327,651	328,325
Net Investment Income	1,768,480	(540,607)	2,380,522
Benefit Payments, Including Refunds of Member Contributions	(1,835,622)	(1,913,751)	(2,136,948)
Administrative Expenses	(22,601)	(19,116)	(25,280)
Net Change in Plan Fiduciary Net Position	1,268,915	(1,061,027)	1,695,087
Plan Net Position - Beginning	23,611,558	24,880,473	23,819,446
Plan Net Position - Ending	24,880,473	23,819,446	25,514,533
Employer's Net Pension Liability	\$ 16,988,526	20,898,240	22,147,494
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.42%	53.27%	53.53%
Covered Payroll	\$ 3,472,235	3,391,915	3,413,460
Employer's Net Pension Liability as a Percentage of Covered Payroll	489.27%	616.12%	648.83%

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 and 2022.

4/30/2018	4/30/2019	4/30/2020	4/30/2021	4/30/2022	4/30/2023
801,425	969,788	1,121,506	1,170,150	1,094,910	1,056,840
3,190,983	3,261,241	3,354,633	3,497,432	3,403,591	3,596,554
43,670	438,310	(309,981)	(1,584,476)	(3,590,998)	789,700
4,759,800	3,556,190	(1,357,706)	154,554	(2,167,198)	(4,744,043)
—	—	647,797	—	—	(54,458)
(2,292,490)	(2,446,376)	(2,388,849)	(2,396,858)	(2,679,940)	(2,766,657)
6,503,388	5,779,153	1,067,400	840,802	(3,939,635)	(2,122,064)
47,662,027	54,165,415	59,944,568	61,011,968	61,852,770	57,913,135
54,165,415	59,944,568	61,011,968	61,852,770	57,913,135	55,791,071
1,157,860	1,223,330	1,849,979	2,239,394	2,444,110	2,408,162
354,407	352,773	355,264	342,595	346,059	365,586
3,046,248	2,316,930	1,290,605	8,624,495	(1,820,358)	839,414
(2,292,490)	(2,446,376)	(2,388,849)	(2,396,858)	(2,679,940)	(2,766,657)
(31,188)	(27,562)	(43,181)	(66,264)	(55,300)	(52,188)
2,234,837	1,419,095	1,063,818	8,743,362	(1,765,429)	794,317
25,514,533	27,749,370	29,168,465	30,232,283	38,975,645	37,210,216
27,749,370	29,168,465	30,232,283	38,975,645	37,210,216	38,004,533
26,416,045	30,776,103	30,779,685	22,877,125	20,702,919	17,786,538
51.23%	48.66%	49.55%	63.01%	64.25%	68.12%
3,524,397	3,559,782	3,654,034	3,457,054	3,490,785	3,674,511
749.52%	864.55%	842.35%	661.75%	593.07%	484.05%

VILLAGE OF NORRIDGE, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

April 30, 2023

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	0.03%
2016	(2.23%)
2017	10.33%
2018	12.28%
2019	8.63%
2020	4.55%
2021	17.24%
2022	(10.71%)
2023	1.05%

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

VILLAGE OF NORRIDGE, ILLINOIS

Retiree Benefits Plan

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2023

See Following Page

VILLAGE OF NORRIDGE, ILLINOIS

Retiree Benefits Plan

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2023

	<u>4/30/2018</u>
Total OPEB Liability	
Service Cost	\$ 138,284
Interest	61,467
Differences Between Expected and Actual Experience	(155,866)
Change of Assumptions or Other Inputs	260,420
Benefit Payments	<u>(124,682)</u>
Net Change in Total OPEB Liability	179,623
Total OPEB Liability - Beginning	<u>3,922,989</u>
Total OPEB Liability - Ending	<u><u>4,102,612</u></u>
Employee-Covered Payroll	6,144,918
Total OPEB Liability as a Percentage of Employee-Covered Payroll	66.76%

Notes:

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate from 2019 through 2023.

4/30/2019	4/30/2020	4/30/2021	4/30/2022	4/30/2023
138,284	138,284	138,284	118,993	118,993
(157,479)	(447,923)	(146,948)	95,211	127,702
—	—	—	—	—
—	163,008	477,736	(335,814)	(565,187)
(103,073)	(101,131)	(82,922)	(92,161)	(92,162)
(122,268)	(247,762)	386,150	(213,771)	(410,654)
4,102,612	3,980,344	3,732,582	4,118,732	3,904,961
3,980,344	3,732,582	4,118,732	3,904,961	3,494,307
5,901,467	5,779,750	5,660,795	5,749,364	5,527,890
67.45%	64.58%	72.76%	67.92%	63.21%

VILLAGE OF NORRIDGE, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 8,331,712	8,331,712	11,827,598
Intergovernmental	7,767,935	7,767,935	9,661,026
Licenses, Permits and Fees	964,500	964,500	920,678
Fines and Forfeitures	68,800	68,800	429,433
Charges for Services	71,000	71,000	107,248
Investment Income	—	—	258,488
Miscellaneous	—	—	56,079
Total Revenues	<u>17,203,947</u>	<u>17,203,947</u>	<u>23,260,550</u>
Expenditures			
General Government			
Administration	2,932,460	2,932,460	2,230,249
Public Safety			
Police	7,593,051	7,593,051	9,404,288
Public Works			
Streets	3,212,031	3,212,031	2,781,225
Garbage and Recycling	1,520,000	1,520,000	1,335,320
Village Properties	2,350,582	2,350,582	1,920,675
Debt Service			
Principal Retirement	179,074	179,074	192,776
Interest and Fiscal Charges	—	—	45,178
Total Expenditures	<u>17,787,198</u>	<u>17,787,198</u>	<u>17,909,711</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(583,251)</u>	<u>(583,251)</u>	<u>5,350,839</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	—	—	38,664
Transfers Out	—	—	(1,875,870)
	<u>—</u>	<u>—</u>	<u>(1,837,206)</u>
Net Change in Fund Balance	<u>(583,251)</u>	<u>(583,251)</u>	3,513,633
Fund Balance - Beginning as Restated			<u>7,745,384</u>
Fund Balance - Ending			<u><u>11,259,017</u></u>

VILLAGE OF NORRIDGE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
MFT Allotments	\$ 330,000	330,000	341,006
Other Intergovernmental	400,059	400,059	432,386
Investment Income	—	—	36,987
Total Revenues	<u>730,059</u>	<u>730,059</u>	<u>810,379</u>
Expenditures			
Public Works			
Streets	<u>2,029,996</u>	<u>2,029,996</u>	<u>1,173,898</u>
Net Change in Fund Balance	<u>(1,299,937)</u>	<u>(1,299,937)</u>	(363,519)
Fund Balance - Beginning as Restated			<u>1,744,370</u>
Fund Balance - Ending			<u>1,380,851</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedule - General Fund
- Budgetary Comparison Schedule - Major Enterprise Fund
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUND

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax

The Motor Fuel Tax Fund is used to account for motor fuel tax allocations from the State of Illinois and expenditures related to the Village's annual road rehabilitation and construction program.

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water Utilities Fund

The Water Utilities Fund is used to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

FIDUCIARY FUND

PENSION TRUST FUND

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

VILLAGE OF NORRIDGE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
Taxes			
Property Taxes	\$ 85,000	85,000	2,493,762
Home Rule Sales Taxes	5,500,000	5,500,000	6,133,070
Use Taxes	570,000	570,000	625,377
Other Taxes	2,176,712	2,176,712	2,575,389
	<u>8,331,712</u>	<u>8,331,712</u>	<u>11,827,598</u>
Intergovernmental			
State Sales Taxes	4,550,000	4,550,000	4,962,014
State Income Taxes	2,100,000	2,100,000	2,464,232
Replacement Taxes	75,000	75,000	102,599
Grants	1,042,935	1,042,935	2,132,181
	<u>7,767,935</u>	<u>7,767,935</u>	<u>9,661,026</u>
Licenses, Permits and Fees	<u>964,500</u>	<u>964,500</u>	<u>920,678</u>
Fines and Forfeitures			
Police	20,000	20,000	304,711
Other	48,800	48,800	124,722
	<u>68,800</u>	<u>68,800</u>	<u>429,433</u>
Charges for Services	<u>71,000</u>	<u>71,000</u>	<u>107,248</u>
Investment Income	<u>—</u>	<u>—</u>	<u>258,488</u>
Miscellaneous	<u>—</u>	<u>—</u>	<u>56,079</u>
Total Revenues	<u>17,203,947</u>	<u>17,203,947</u>	<u>23,260,550</u>

VILLAGE OF NORRIDGE, ILLINOIS

Waterworks Utilities - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services			
Water Charges	\$ 3,664,000	3,664,000	4,483,078
Permits and Fees	145,000	145,000	94,373
Total Operating Revenues	<u>3,809,000</u>	<u>3,809,000</u>	<u>4,577,451</u>
Operating Expenses			
Operations			
Administration and Maintenance	12,248,960	12,248,960	3,350,354
Depreciation	—	—	206,356
Total Operating Expenses	<u>12,248,960</u>	<u>12,248,960</u>	<u>3,556,710</u>
Operating Income (Loss)	<u>(8,439,960)</u>	<u>(8,439,960)</u>	<u>1,020,741</u>
Nonoperating Revenues (Expenses)			
Debt Issuance	4,000,000	4,000,000	—
Investment Income	—	—	17,436
Interest Expense	(111,386)	(111,386)	(38,600)
	<u>3,888,614</u>	<u>3,888,614</u>	<u>(21,164)</u>
Income (Loss) Before Transfers	(4,551,346)	(4,551,346)	999,577
Transfers In	<u>1,875,870</u>	<u>1,875,870</u>	<u>1,875,870</u>
Change in Net Position	<u>(2,675,476)</u>	<u>(2,675,476)</u>	2,875,447
Net Position - Beginning as Restated			<u>6,301,828</u>
Net Position - Ending			<u><u>9,177,275</u></u>

VILLAGE OF NORRIDGE, ILLINOIS

**Consolidated Year-End Financial Report
April 30, 2023**

CSFA #	Program Name	State	Federal	Other	Total
444-26-1565	Tobacco Enforcement Program	\$ —	2,451	—	2,451
494-10-0343	State and Community Highway Safety/ National Priority Safety Program	—	7,171	—	7,171
588-40-0448	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	—	54,321	—	54,321
	Other Grant Programs and Activities	—	1,921,737	46,501	1,968,238
	All Other Costs Not Allocated	—	—	17,763,424	17,763,424
	Totals	—	1,985,680	17,809,925	19,795,605



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

March 25, 2024

The Honorable Village President
Members of the Board of Trustees
Village of Norridge, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Norridge, Illinois, as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Village of Norridge, Illinois
March 25, 2024

Purpose of this Report

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

VILLAGE OF NORRIDGE, ILLINOIS

Long-Term Debt Requirements

Note Payable of 2019

April 30, 2023

Date of Issue	May 7, 2019
Date of Maturity	May 7, 2029
Authorized Issue	\$1,105,319
Interest Rates	3.50%
Interest Dates	November 7 and May 7
Principal Maturity Date	November 7 and May 7
Payable at	Wintrust Bank, N.A.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2024	\$ 143,622	35,452	179,074
2025	148,675	30,399	179,074
2026	154,086	24,988	179,074
2027	159,603	19,471	179,074
2028	165,317	13,757	179,074
2029	175,828	3,246	179,074
2030	87,855	1,547	89,402
	<u>1,034,986</u>	<u>128,860</u>	<u>1,163,846</u>

VILLAGE OF NORRIDGE, ILLINOIS

Long-Term Debt Requirements

Installment Contract (Elgin Crosswind Streetsweeper) of 2020

April 30, 2023

Date of Issue	January 22, 2021
Date of Maturity	January 22, 2025
Authorized Issue	\$294,401
Interest Rates	3.19%
Interest Dates	January 22
Principal Maturity Date	January 22
Payable at	Tax Exempt Leasing

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2024	\$ 55,296	3,584	58,880
2025	57,060	1,820	58,880
	<u>112,356</u>	<u>5,404</u>	<u>117,760</u>

VILLAGE OF NORRIDGE, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency Loan Payable of 2012

April 30, 2023

Date of Issue	January 23, 2014
Date of Maturity	January 23, 2033
Authorized Issue	\$353,540
Interest Rate	2.295%
Interest Dates	July 23 and January 23
Principal Maturity Date	July 23 and January 23
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2024	\$ 18,085	4,506	22,591
2025	18,502	4,089	22,591
2026	18,929	3,662	22,591
2027	19,366	3,225	22,591
2028	19,813	2,778	22,591
2029	20,271	2,320	22,591
2030	20,738	1,853	22,591
2031	21,217	1,374	22,591
2032	21,707	884	22,591
2033	22,208	383	22,591
	<u>200,836</u>	<u>25,074</u>	<u>225,910</u>

VILLAGE OF NORRIDGE, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency Loan Payable of 2018

April 30, 2023

Date of Issue	May 16, 2019
Date of Maturity	November 16, 2038
Authorized Issue	\$1,495,223
Interest Rate	1.760%
Interest Dates	November 16 and May 16
Principal Maturity Date	November 16 and May 16
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2024	\$ 67,373	21,413	88,786
2025	68,564	20,222	88,786
2026	69,776	19,010	88,786
2027	71,010	17,776	88,786
2028	72,265	16,521	88,786
2029	73,543	15,243	88,786
2030	74,843	13,943	88,786
2031	76,166	12,620	88,786
2032	77,512	11,274	88,786
2033	78,882	9,904	88,786
2034	80,277	8,509	88,786
2035	81,696	7,090	88,786
2036	83,140	5,646	88,786
2037	84,610	4,176	88,786
2038	86,106	2,680	88,786
2039	87,628	1,158	88,786
	<u>1,233,391</u>	<u>187,185</u>	<u>1,420,576</u>