

Village of McCook

Financial Statements and
Supplementary Information

December 31, 2022

Village of McCook

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Independent Auditors' Report

To the Village Board of
Village of McCook

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of McCook, Illinois (the Village), as of and for the year ended December 31, 2022, 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 accompanying 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 as of December 31, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the Village adopted the provisions of GASB Statement No. 87, *Leases*, effective January 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 required supplementary information 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.

Supplementary Information

Our audit for the year ended December 31, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information for the year ended December 31, 2022 as listed in the table of contents is presented for purposes of additional analysis and is 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 for the year ended December 31, 2022, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated June 30, 2022, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. The supplementary information as listed in the table of contents for the year ended December 31, 2021 is presented for purposes of additional analysis and is 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 2021 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2021.

Other Information

Management is responsible for the other information included in the financial statement report. The other information comprises the other supplementary schedules as listed in the table of contents but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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



Oak Brook, Illinois
June 27, 2023

Village of McCook

Management's Discussion and Analysis
December 31, 2022
(Unaudited)

The discussion and analysis of Village of McCook's (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2022. The management of the Village encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the Village's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- > The assets and deferred outflow of the Village exceeded its liabilities and deferred inflows at the close of the most recent fiscal year for a net position of \$19,174,013. Of this amount, the Village has a deficit of \$(14,000,177) in unrestricted net position. The deficit in unrestricted net position is primarily due to the unfunded pension liabilities and other postemployment benefits (OPEB) that do not have a corresponding asset.
- > In total, net position increased by \$13,644,743 due to increased government revenues.
- > At the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$32,813,502, an increase of \$8,846,680 in comparison with the prior year.
- > General revenues accounted for \$19,886,715 in revenue or 87% of all governmental activities revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$2,888,941 or 13% of total governmental activities revenues of \$22,775,656.
- > The Village had \$9,114,993 in expenses related to government activities. However, only \$2,888,941 of these expenses were offset by program specific charges and grants with the remainder being support by general revenues.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The basic financial statements are comprised of three components:

- > Government-wide financial statements,
- > Fund financial statements and
- > Notes to basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business and are reported using the accrual basis of accounting and economic resources measurement focus.

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 government's net position changed during the fiscal year being reported. 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 McCook

Management's Discussion and Analysis
December 31, 2022
(Unaudited)

The government-wide financial statements can be divided into two types of activities: governmental and business-type. Governmental activities present the functions of the Village that are principally supported by taxes and intergovernmental revenues. Business-Type activities present the functions that are intended to recover all or a significant portion of their costs through user fees and charges. The Village's governmental activities include functions like general government, TIF economic development, public safety and public works. The Village's business-type activities include water & sewer and athletics and exposition.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three 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 and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. 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 Village's near-term financing requirements.

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

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, 1st Avenue TIF and Riverside TIF Funds, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The Village adopts an annual budget for the General Fund and special revenue funds with the exception of the 55th Street TIF Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budgets adopted.

Proprietary funds

The Village maintains proprietary funds, all of which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water, sewer and athletics and exposition functions. The Village adopts an annual budget for these funds.

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village's proprietary funds present the activities and balances in Water and Max Funds, which are considered to be major funds, using the accrual basis of accounting and economic resources measurement focus. Proprietary funds report on the full accrual basis of accounting which is the same as the government-wide financial statements. The proprietary funds reflect the private-sector type operation, where the fee for service typically covers all or most of the cost of operation and maintenance including depreciation.

Village of McCook

Management's Discussion and Analysis
 December 31, 2022
 (Unaudited)

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. 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 full accrual, the same as reported in the government-wide financial statements.

Notes to basic financial statements

The notes to the financial statements 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 contributions and pension information of the Illinois Municipal Retirement Fund, Retirees' Health Plan, Police Pension Fund and Firefighters' Pension Fund; as well as, budget to actual comparisons of the funds. Supplementary schedules include combining and individual fund schedules of all non-major funds and Fiduciary Funds.

Government-Wide Financial Analysis

Table 1			
Condensed Statements of Net Position			
(in actual dollars)			
	<i>Governmental Activities</i>		
	<i>2022</i>	<i>2021</i>	<i>Change</i>
Assets/Deferred Outflows			
Current and other assets/deferred outflows	\$ 54,224,625	\$ 44,927,667	20.7%
Capital assets	<u>4,532,488</u>	<u>2,915,819</u>	55.4%
Total assets/deferred outflows	<u>58,757,113</u>	<u>47,843,486</u>	22.8%
Liabilities/Deferred Inflows			
Long-term liabilities	42,927,241	44,420,417	(3.4)%
Other liabilities/deferred inflows	<u>15,392,911</u>	<u>15,940,922</u>	(3.4)%
Total liabilities/deferred inflows	<u>58,320,152</u>	<u>60,361,339</u>	(3.4)%
Net position			
Net investment in capital assets	4,532,488	2,915,819	55.4%
Restricted	15,464,497	11,452,954	35.0%
Unrestricted	<u>(19,560,024)</u>	<u>(26,886,626)</u>	(27.2)%
Total net position	<u>\$ 436,961</u>	<u>\$ (12,517,853)</u>	(103.5)%

Village of McCook

Management's Discussion and Analysis
December 31, 2022
(Unaudited)

Table 1						
Condensed Statements of Net Position						
(in actual dollars)						
	<u>Business-Type Activities</u>			<u>Total</u>		
	2022	2021	Change	2022	2021	Change
Assets/Deferred Outflows						
Current and other assets	\$ 10,228,415	\$ 8,397,763	21.8%	\$ 64,453,040	\$ 53,325,430	20.9%
Capital assets	<u>24,840,851</u>	<u>24,110,145</u>	3.0%	<u>29,373,339</u>	<u>27,025,964</u>	8.7%
Total assets/deferred outflows	<u>35,069,266</u>	<u>32,507,908</u>	7.9%	<u>93,826,379</u>	<u>80,351,394</u>	16.8%
Liabilities/Deferred Inflows						
Long-term liabilities	14,404,986	13,474,840	6.9%	57,332,227	57,895,257	(1.0)%
Other liabilities/deferred inflows	<u>1,927,228</u>	<u>985,945</u>	95.5%	<u>17,320,139</u>	<u>16,926,867</u>	2.3%
Total liabilities/deferred inflows	<u>16,332,214</u>	<u>14,460,785</u>	(0.2)%	<u>74,652,366</u>	<u>74,822,124</u>	(0.2)%
Net position						
Net investment in capital assets	13,177,205	12,928,781	1.9%	17,709,693	15,844,600	11.8%
Restricted	-	-		15,464,497	11,452,954	35.0%
Unrestricted	<u>5,559,847</u>	<u>5,118,342</u>	8.6%	<u>(14,000,177)</u>	<u>(21,768,284)</u>	(35.7)%
Total net position	<u>\$ 18,737,052</u>	<u>\$ 18,047,123</u>	3.8%	<u>\$ 19,174,013</u>	<u>\$ 5,529,270</u>	246.8%

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net results of activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for capital – which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) increase capital assets and long-term debt, which will not change the net position net investment in capital assets.

Spending of non-borrowed current assets on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) will reduce unrestricted net position and increase invested in capital assets, net of related debt.

Principal payment on debt – which will: (a) reduce current assets and reduce long-term debt; and, (b) reduce unrestricted net position and increase net position invested in capital assets, net of related debt.

Reduction of capital assets through depreciation – which will reduce capital assets and net position invested in capital assets, net of related debt.

Village of McCook

Management's Discussion and Analysis
 December 31, 2022
 (Unaudited)

Current Year Impacts

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, total net position increased by \$13,644,743 increasing its prior year's net position of \$5,529,270 to a net position of \$19,174,013. The Village's total assets/deferred outflows equal \$93,826,379. The Village's total liabilities/deferred inflows equal \$74,652,366.

A portion of the net position of the governmental activities is restricted for street maintenance, road improvements, drug enforcement, community development, and pension benefits. The unrestricted combined balance, for both governmental and business-type activities, was a deficit of \$(14,000,177).

The deficit in unrestricted net position is primarily the result of the Village's tax increment financing (TIF) districts, the net pension liabilities and the total OPEB liabilities. The TIFs were developed to encourage economic development within the Village. As part of the process of encouraging development within the TIFs, the Village issued Tax Increment Financing bonds that did not produce a capital asset that is owned by the Village and even though the debt is payable from the incremental taxes generated by the TIF, the bonds are, nonetheless, required to be reported as a liability of the Village. The Village has \$15,125,000 bonds outstanding at the end of the fiscal year that funded TIF projects.

Table 2			
Condensed Statements of Activities			
(in actual dollars)			
	<u>Governmental Activities</u>		
	<u>2022</u>	<u>2021</u>	<u>Change</u>
Revenues			
<i>Program revenues</i>			
Charges for services	\$ 2,426,035	\$ 1,029,257	135.7%
Operating grants and contributions	386,865	171,703	125.3%
Capital grants and contributions	76,041	45,654	66.6%
<i>General revenues</i>			
Taxes	16,628,884	16,196,035	2.7%
Other general revenues	<u>3,257,831</u>	<u>1,620,702</u>	101.0%
Total revenues	<u>22,775,656</u>	<u>19,063,351</u>	19.5%
Expenses			
General government	3,782,659	2,635,936	43.5%
Public safety	3,714,859	5,176,801	-28.2%
Public works	614,445	648,063	-5.2%
Community development	359,063	591,561	-39.3%
Interest on long term debt	<u>643,967</u>	<u>718,295</u>	(10.3)%
Total expenses	<u>9,114,993</u>	<u>9,770,656</u>	-6.7%
Transfers/contributions	<u>(705,849)</u>	<u>(520,436)</u>	35.6%
Change in net position	12,954,814	8,772,259	47.7%
Net position, beginning of year	<u>(12,517,853)</u>	<u>(21,290,112)</u>	-41.2%
Net position, end of year	<u>\$ 436,961</u>	<u>\$ (12,517,853)</u>	(103.5)%

Village of McCook

Management's Discussion and Analysis
 December 31, 2022
 (Unaudited)

Table 2						
Condensed Statements of Activities						
(in actual dollars)						
	<u>Business-Type Activities</u>			<u>Total</u>		
	2022	2021	Change	2022	2021	Change
Revenues						
<i>Program revenues</i>						
Charges for services	\$ 14,340,201	\$ 14,026,569	2.2%	\$ 16,766,236	\$ 15,055,826	11.4%
Operating grants and contributions	-	-		386,865	171,703	125.3%
Capital grants and contributions	-	-		76,041	45,654	66.6%
<i>General revenues</i>						
Taxes	-	-		16,628,884	16,196,035	2.7%
Other general revenues	<u>84,526</u>	<u>48,058</u>	75.9%	<u>3,342,357</u>	<u>1,668,760</u>	100.3%
Total revenues	<u>14,424,727</u>	<u>14,074,627</u>	2.5%	<u>37,200,383</u>	<u>33,137,978</u>	12.3%
Expenses						
General government	-	-		3,782,659	2,635,936	43.5%
Public safety	-	-		3,714,859	5,176,801	-28.2%
Public works	-	-		614,445	648,063	-5.2%
TIF economic development	-	-		359,063	591,561	-39.3%
Interest on long term debt - GA	-	-		643,967	718,295	(10.3)%
Water & Sewer	12,017,130	11,413,812	5.3%	12,017,130	11,413,812	5.3%
Athletics and exposition	<u>2,423,517</u>	<u>2,368,847</u>	2.3%	<u>2,423,517</u>	<u>2,368,847</u>	2.3%
Total expenses	<u>14,440,647</u>	<u>13,782,659</u>	4.8%	<u>23,555,640</u>	<u>23,553,315</u>	
Transfers/contributions	<u>705,849</u>	<u>520,436</u>	35.6%	-	-	
Change in net position	689,929	812,404	(15.1)%	13,644,743	9,584,663	42.4%
Net position, beginning of year	<u>18,047,123</u>	<u>17,234,719</u>	4.7%	<u>5,529,270</u>	<u>(4,055,393)</u>	-236.3%
Net position end of year	<u>\$ 18,737,052</u>	<u>\$ 18,047,123</u>	3.8%	<u>\$ 19,174,013</u>	<u>\$ 5,529,270</u>	246.8%

Normal Impacts

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

Revenues

Economic condition – which can reflect a declining, stable or growing economic environment and has substantial impact on state sales, replacement and hotel/motel tax revenue; as well as, public spending habits for building permits, elective user fees and volumes of consumption.

Increase/decrease in Village approved rates – while certain tax rates are set by statute, the Village has significant authority to impose and periodically increase/decrease rates (water, home rule sales tax, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income – the Village's investments may be affected by market conditions causing investment income to increase/decrease.

Village of McCook

Management's Discussion and Analysis
December 31, 2022
(Unaudited)

Expenses

Introduction of new programs – within the functional expense categories (general government, public safety, public works and community development), individual programs may be added or deleted to meet changing community needs.

Change in authorized personnel – changes in service demand may cause the Village to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the Village.

Salary increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuel and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

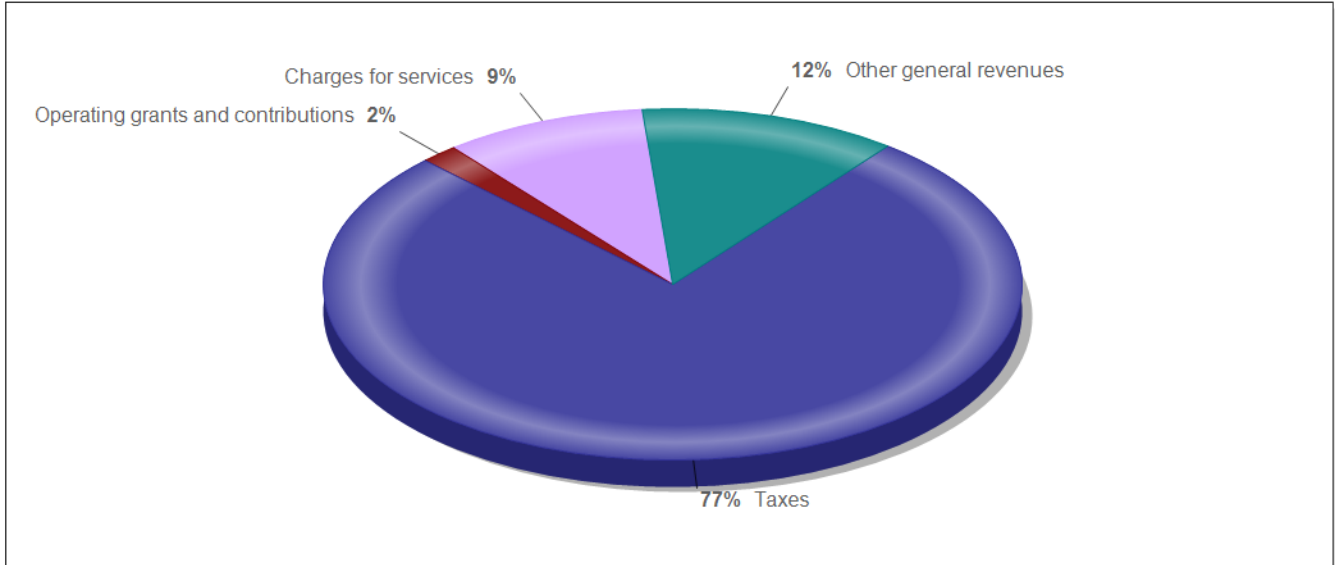
The Governmental Activities experienced a increase in revenue largely due to increased tax collections. Governmental Activities also experienced reduced expenses largely due to changes in public safety operations and the impact of pension liabilities. As a result, the net position increased to \$436,961 as compared to a deficit of \$(12,517,853) in the prior fiscal year.

Village of McCook

Management's Discussion and Analysis
December 31, 2022
(Unaudited)

Governmental Activities

Governmental Revenues by Source



Revenues

The Village has a large industrial base. In Illinois, large corporations have recently been successful at reducing their assessed valuations on which their real estate tax levies are based. The process to reduce these assessments or file and resolve other tax disputes can take years to wind their way through County and State boards and courts.

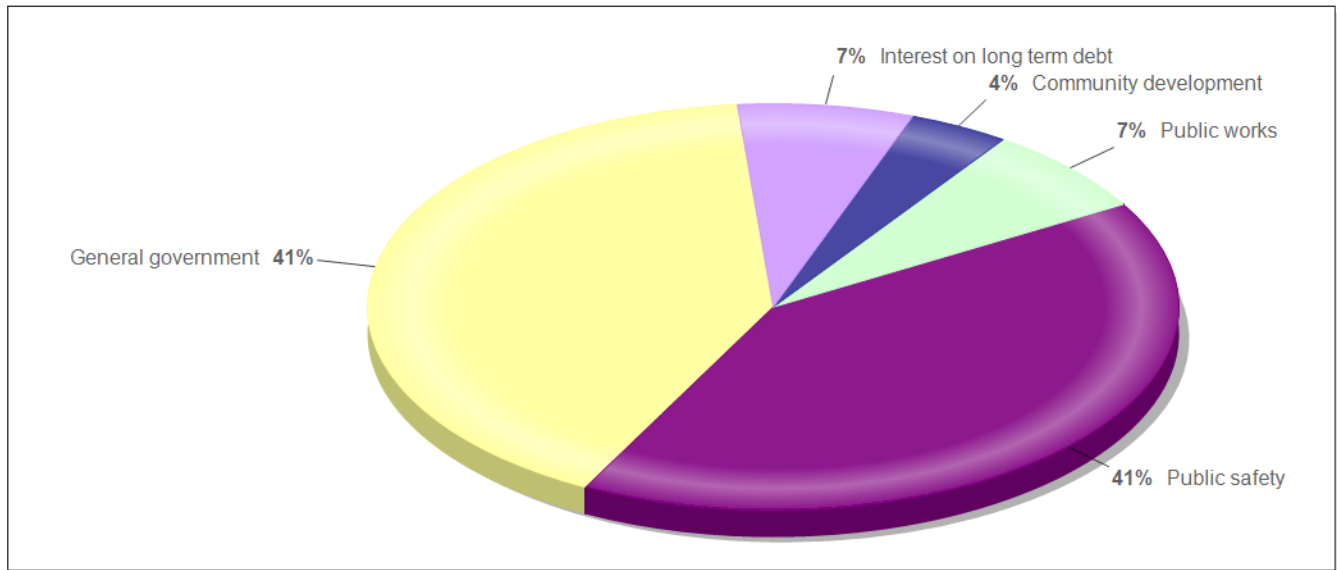
2022 is the fifteenth year the Village has been collecting incremental tax revenue within the 1st Avenue TIF District. The Village collected approximately \$5.4 million within the TIF District during the year. The Village also began collecting property taxes for the Joliet Road TIF in 2009, making 2022 the thirteenth year with collections from the TIF, and 2022 collections totaled approximately \$1.0 million. Additionally, the Village began collecting property taxes for the Riverside TIF in 2015, and 2022 collections totaled approximately \$1.6 million.

The business-type activity of the Village of McCook includes the Water Utility Department and McCook Athletic and Exposition Center (Max). The Water Utility Department serves the Village of McCook residents and businesses, along with providing water to the Villages of Hodgkins, Riverside, Indian Head Park, Countryside, LaGrange and Lyons. Pricing for water is based on a schedule set by the Village and reflects increases as passed along from the Village's supplier, the City of Chicago. Sales of water (revenues) can be affected by climate, at times, with warmer and drier summers bringing higher demand. The City of Chicago has annually adjusted rates and this adjustment is passed along to Village customers. The operating revenues of the Water and Sewer Department were approximately \$12.3 million, which is a 0.8% increase from 2021's operating revenue of \$12.2 million. The operating revenues of the Max were approximately \$2.0 million, which is an increase compared to 2021 which was impacted by temporary closure related to COVID.

Village of McCook

Management's Discussion and Analysis
December 31, 2022
(Unaudited)

Governmental Expenses by Function



Expenses

Expenses for 2022 were \$9.1 million for governmental activities, which is approximately \$0.6 million less than the prior year.

The expenses for business-type activities were \$14.4 million, increasing \$0.7 million from the prior year.

Financial Analysis of the Village's Funds

At the end of the current fiscal year, the Village of McCook's governmental funds reported a combined (major and non-major) ending fund balance of \$32.6 million which is an increase of \$8.6 million from the prior year. The revenue exceeded expenditures in the General Fund by \$4.9 million primarily due to the receipt of incentive renewal payments. The revenues exceeded expenditures in the 1st Avenue TIF and the Riverside TIF due increased tax increment property tax collections in both funds and reduced development costs in Riverside TIF.

The Proprietary Funds are the Water Utility Departments and the Max (McCook Athletic and Exposition Center). The operating revenue for the Water Utility Department increased 0.8% from operating revenue in 2021. The operating income for the Water Fund for fiscal 2022 was \$344,302 before consideration of non-operating revenues and expenses and transfers. Transfers to the General Fund from the Water Fund totaled \$300,000.

The operating loss for the Max Fund for fiscal 2022 was \$45,731. After contributions and transfers, the Max Fund reported a surplus in 2022 and total net position increased by \$652,400. The Max Fund finished the year with a net position of \$8,413,283. Additionally, the Max reduced the advance from the General Fund by \$400,000 during the year. The net position of all proprietary funds at the end of fiscal 2022 equaled \$18,537,052 of which \$5,359,847 is unrestricted.

General Fund Budgetary Highlights

The original budget was not amended during the year. The actual revenues were more than projected total revenues in the General Fund by approximately \$5.9 million for the year ended December 31, 2022.

The actual expenditures for fiscal 2022 were less than budget by approximately \$0.8 million, a result of changes in public safety staffing during the year. Additional amounts were transferred from the Water Fund and 1st Ave TIF Fund to the General Fund. The General Fund balance as of December 31, 2022 is \$18,605,564.

Village of McCook

Management's Discussion and Analysis
December 31, 2022
(Unaudited)

Capital Assets and Debt Administration

Capital assets

By the end of 2022, the Village had compiled a total investment of \$53,146,931 (\$29,373,339 net of accumulated depreciation) in a broad range of capital assets including land, buildings, vehicles, machinery and equipment and infrastructure. Total depreciation/amortization expense for the year was \$1,365,658. More detailed information about capital assets can be found in Note 3. of the basic financial statements.

Table 3						
Capital Assets (net of depreciation)						
(in actual dollars)						
		<u>Governmental Activities</u>				
		2022	2021	Change		
Land		\$ 168,488	\$ 168,488			
Construction in progress		140,943	-			
Buildings and building improvements		740,991	779,703			(5.0)%
Vehicles		2,001,678	87,397			2,190.3%
Machinery and equipment		993,247	1,359,376			(26.9)%
Infrastructure		487,141	520,855			(6.5)%
Total		<u>\$ 4,532,488</u>	<u>\$ 2,915,819</u>			55.4%
Table 3						
Capital Assets (net of depreciation)						
(in actual dollars)						
		<u>Business-Type Activities</u>			<u>Total</u>	
		2022	2021	Change	2022	2021
Land	\$	2,142,625	\$ 2,142,625		\$ 2,311,113	\$ 2,311,113
Land Improvements		1,184,228	1,254,156	-5.6%	1,184,228	1,254,156
Buildings and building improvements		14,822,335	15,291,319	(3.1)%	15,563,326	16,071,022
Construction in progress		281,179	-		422,122	-
Vehicles		101,437	56,560	79.3%	2,103,115	143,957
Machinery and equipment		847,133	837,128	1.2%	1,840,380	2,196,504
Infrastructure		4,320,817	4,528,357	(4.6)%	4,807,958	5,049,212
Lease assets		1,141,097	-		1,141,097	-
Total		<u>\$ 24,840,851</u>	<u>\$ 24,110,145</u>	3.0%	<u>\$ 29,373,339</u>	<u>\$ 27,025,964</u>

Debt Administration

The long-term liabilities consists of three types of debt reported by the Village's financial statements. The Village's governmental activities long-term liabilities includes \$15,526,366 in General Obligation bonds, \$385,823 for vested compensated absences, \$12,597,697 of total OPEB liability and \$14,417,355 of net pension liability. The General Obligation bonds will be repaid through incremental tax revenue generated within the TIF districts and property taxes levied for the repayment of general obligation debt. The Village's governmental activities reported total debt of \$42,927,241 at December 31, 2022.

The Village's business-type activities long-term liabilities includes \$10,963,308 of general obligation debt, \$204,849 in vested compensated absences, a \$2,101,279 total OPEB liability, and \$1,135,550 of lease obligations. The general obligation debt is paid primarily by revenues generated by the McCook Athletic and Exposition Center (Max Fund) and the Water Fund.

Additional information on long-term debt obligations can be found in Note 3 to the financial statement. The Village Financial Statements as well as certain information in the Supplementary and Other Information provide the required continuing disclosure of the Village pursuant to its outstanding bonds.

Village of McCook

Management's Discussion and Analysis
December 31, 2022
(Unaudited)

Factors Bearing on the Village's Future

The general economic conditions of southwestern Cook County and the Chicago metropolitan statistical area were affected by the national economic downturn. The Village is actively working on two new redevelopment areas (the former Electromotive diesel engine plant and reclaiming certain fully mined quarries) to facilitate continued growth. The Village is located in an Illinois enterprise zone and has the advantage of several incentive packages to industry that help keep it competitive as compared to other industrial locations. Also, the Village is completing three tax increment financing districts within the Village boundaries. To date, multiple industrial buildings are being developed within these areas and the Village has realized an overall increase of economic impact as a result. Previous and current redevelopment projects have positively impacted the Village through permits and fees, sales taxes, and restricted tax increment financing revenue. The Village continues to prioritize pension contributions to reduce the unfunded levels.

The financial accomplishments over the past several years that resulted from balanced budgets, economic development, and expenditure moderation provide for a sound foundation for future financial goals. Specifically, the Village intends to continue to balance budgets for governmental and enterprise funds, maintain financial reserves, promote continued economic development, address infrastructure and equipment needs, increase pension funding, and reduce debt. The fiscal year 2023 budget reflects these initiatives.

Requests for Information

This financial report is designed to provide the Village's citizens, taxpayers and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have questions about this report, need additional financial information, or would like a copy of the financial statements for the Police Pension Fund or Firefighters' Pension Fund, contact the Business Office:

Village of McCook
5000 Glencoe Avenue
McCook, Illinois 60525-7804

Village of McCook

Statement of Net Position December 31, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets and Deferred Outflows of Resources			
Assets			
Cash and cash equivalents	\$ 29,140,478	\$ 7,784,479	\$ 36,924,957
Investments	120,326	402,598	522,924
Receivables (net):			
Real estate taxes	11,838,072	-	11,838,072
Accounts	-	1,163,013	1,163,013
Other	381,482	-	381,482
Note receivable	-	882,153	882,153
Lease receivable	-	492,676	492,676
Due from other governments	947,375	-	947,375
Prepaid items	144,269	107,108	251,377
Internal balances	1,100,000	(1,100,000)	-
Net pension asset	2,299,300	-	2,299,300
Restricted cash and investments	369,640	-	369,640
Capital assets (net of accumulated depreciation):			
Land	168,488	2,142,625	2,311,113
Construction in progress	140,943	281,179	422,122
Land improvements	-	1,184,228	1,184,228
Buildings and building improvements	740,991	14,822,335	15,563,326
Machinery and equipment	980,148	847,133	1,827,281
Infrastructure	487,141	4,320,817	4,807,958
Vehicles	2,014,777	101,437	2,116,214
Lease right-to-use	-	1,141,097	1,141,097
Total assets	<u>50,873,430</u>	<u>34,572,878</u>	<u>85,446,308</u>
Deferred Outflows of Resources			
Deferred outflows of resources related to pensions	4,907,709	-	4,907,709
Deferred outflows of resources related to OPEB	2,975,974	496,388	3,472,362
Total deferred outflows of resources	<u>7,883,683</u>	<u>496,388</u>	<u>8,380,071</u>
Liabilities, Deferred inflows of Resources and Net Position			
Liabilities			
Accounts payable	164,551	700,349	864,900
Accrued salaries	94,296	28,851	123,147
Unearned revenue	13,917	162,090	176,007
Accrued interest payable	43,334	32,267	75,601
Noncurrent liabilities:			
Due within one year	2,337,151	815,353	3,152,504
Due in more than one year	40,590,090	13,589,633	54,179,723
Total liabilities	<u>43,243,339</u>	<u>15,328,543</u>	<u>58,571,882</u>
Deferred Inflows of Resources			
Property taxes levied for receipt in future periods	10,548,265	-	10,548,265
Deferred inflows of resources related to OPEB	3,063,539	510,995	3,574,534
Deferred inflows of resources related to pensions	1,465,009	-	1,465,009
Deferred inflows related to leases	-	492,676	492,676
Total deferred inflows of resources	<u>15,076,813</u>	<u>1,003,671</u>	<u>16,080,484</u>
Net Position			
Net investment in capital assets	4,532,488	13,177,205	17,709,693
Restricted for:			
Highways and streets	87,590	-	87,590
Public safety	369,640	-	369,640
Community development	12,627,944	-	12,627,944
Debt service	80,023	-	80,023
Pension benefits	2,299,300	-	2,299,300
Unrestricted (deficit)	<u>(19,560,024)</u>	<u>5,559,847</u>	<u>(14,000,177)</u>
Total net position	<u>\$ 436,961</u>	<u>\$ 18,737,052</u>	<u>\$ 19,174,013</u>

See notes to financial statements

Village of McCook

Statement of Activities

Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 3,782,659	\$ 1,837,835	\$ -	\$ 76,041	\$ (1,868,783)	\$ -	\$ (1,868,783)
Public safety	3,714,859	588,200	377,510	-	(2,749,149)	-	(2,749,149)
Public works	614,445	-	9,355	-	(605,090)	-	(605,090)
Community development	359,063	-	-	-	(359,063)	-	(359,063)
Interest on long-term debt	643,967	-	-	-	(643,967)	-	(643,967)
Total governmental activities	<u>9,114,993</u>	<u>2,426,035</u>	<u>386,865</u>	<u>76,041</u>	<u>(6,226,052)</u>	<u>-</u>	<u>(6,226,052)</u>
Business-type activities:							
Water and sewer	12,017,130	12,301,740	-	-	-	284,610	284,610
Athletics and exposition	2,423,517	2,038,461	-	-	-	(385,056)	(385,056)
Total business-type activities	<u>14,440,647</u>	<u>14,340,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,446)</u>	<u>(100,446)</u>
Total	<u>\$ 23,555,640</u>	<u>\$ 16,766,236</u>	<u>\$ 386,865</u>	<u>\$ 76,041</u>	<u>(6,226,052)</u>	<u>(100,446)</u>	<u>(6,326,498)</u>
General Revenues							
Taxes:							
Real estate					11,171,561	-	11,171,561
Replacement					1,997,443	-	1,997,443
State income					40,574	-	40,574
Sales					2,451,191	-	2,451,191
Dumping					140,211	-	140,211
Tax stamps					517,160	-	517,160
Mineral sales / use					82,793	-	82,793
2% Fire					13,691	-	13,691
Environmental					40,000	-	40,000
Telecommunications					72,663	-	72,663
Host					13,462	-	13,462
Waste transfer					88,135	-	88,135
Unrestricted investment earnings					278,574	36,099	314,673
Refunds					4,193	-	4,193
Miscellaneous					2,975,064	48,427	3,023,491
Total general revenues					<u>19,886,715</u>	<u>84,526</u>	<u>19,971,241</u>
Transfers					<u>(705,849)</u>	<u>705,849</u>	<u>-</u>
Total general revenues and transfers					<u>19,180,866</u>	<u>790,375</u>	<u>19,971,241</u>
Change in net position					12,954,814	689,929	13,644,743
Net Position (Deficit), Beginning					<u>(12,517,853)</u>	<u>18,047,123</u>	<u>5,529,270</u>
Net Position, Ending					<u>\$ 436,961</u>	<u>\$ 18,737,052</u>	<u>\$ 19,174,013</u>

See notes to financial statements

Village of McCook

Balance Sheet
Governmental Funds
December 31, 2022

	<u>General Fund</u>	<u>1st Avenue TIF</u>	<u>Riverside TIF</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets					
Cash and cash equivalents	\$ 15,524,327	\$ 6,509,383	\$ 4,622,336	\$ 2,484,432	\$ 29,140,478
Investments	120,326	-	-	-	120,326
Receivables (net):					
Real estate taxes	4,305,926	5,281,405	1,565,266	685,475	11,838,072
Other	381,482	-	-	-	381,482
Restricted cash and investments	369,640	-	-	-	369,640
Prepaid items	144,269	-	-	-	144,269
Due from other governments	947,375	-	-	-	947,375
Due from other funds	376,000	-	-	4,732	380,732
Advances to other funds	<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,100,000</u>
Total assets	<u>\$ 23,269,345</u>	<u>\$ 11,790,788</u>	<u>\$ 6,187,602</u>	<u>\$ 3,174,639</u>	<u>\$ 44,422,374</u>

See notes to financial statements

Village of McCook

Balance Sheet
 Governmental Funds
 December 31, 2022

	<u>General Fund</u>	<u>1st Avenue TIF</u>	<u>Riverside TIF</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 164,551	\$ -	\$ -	\$ -	\$ 164,551
Accrued salaries	94,296	-	-	-	94,296
Unearned revenue	13,917	-	-	-	13,917
Due to other funds	<u>4,732</u>	<u>376,000</u>	-	-	<u>380,732</u>
Total liabilities	<u>277,496</u>	<u>376,000</u>	-	-	<u>653,496</u>
Deferred Inflows of Resources					
Property taxes levied for receipt in future periods	3,779,174	4,613,221	1,527,456	628,414	10,548,265
Unavailable local revenue	<u>607,111</u>	-	-	-	<u>607,111</u>
Total deferred inflows of resources	<u>4,386,285</u>	<u>4,613,221</u>	<u>1,527,456</u>	<u>628,414</u>	<u>11,155,376</u>
Fund Balances					
Nonspendable for prepaids	144,269	-	-	-	144,269
Nonspendable for advance receivable	1,100,000	-	-	-	1,100,000
Restricted for public safety	369,640	-	-	-	369,640
Restricted for community development	-	6,801,567	4,660,146	1,166,231	12,627,944
Restricted for highways and streets	-	-	-	87,590	87,590
Restricted for debt service purposes	-	-	-	80,023	80,023
Assigned for capital projects	-	-	-	1,212,381	1,212,381
Assigned for stabilization funds	500,000	-	-	-	500,000
Unassigned	<u>16,491,655</u>	-	-	-	<u>16,491,655</u>
Total fund balances	<u>18,605,564</u>	<u>6,801,567</u>	<u>4,660,146</u>	<u>2,546,225</u>	<u>32,613,502</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,269,345</u>	<u>\$ 11,790,788</u>	<u>\$ 6,187,602</u>	<u>\$ 3,174,639</u>	<u>\$ 44,422,374</u>

See notes to financial statements

Village of McCook

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2022

Total Fund Balances, Governmental Funds	\$ 32,613,502
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	4,532,488
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	607,111
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	2,299,300
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	4,907,709
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(1,465,009)
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	2,975,974
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	(3,063,539)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(15,526,366)
Compensated absences	(385,823)
Net pension liabilities	(14,417,355)
Total OPEB liabilities	(12,597,697)
Accrued interest payable	<u>(43,334)</u>
Net Position of Governmental Activities	<u>\$ 436,961</u>

Village of McCook

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2022

	<u>General Fund</u>	<u>1st Avenue TIF</u>	<u>Riverside TIF</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues					
Taxes	\$ 7,103,739	\$ 5,372,903	\$ 1,596,439	\$ 623,360	\$ 14,696,441
Intergovernmental	2,285,982	-	-	14,364	2,300,346
Licenses, permits and fees	1,921,596	-	-	-	1,921,596
Fines and police reports	510,595	-	-	-	510,595
Investment income	259,139	17,391	2,031	13	278,574
Miscellaneous	<u>2,523,885</u>	<u>474,000</u>	<u>-</u>	<u>281,277</u>	<u>3,279,162</u>
Total revenues	<u>14,604,936</u>	<u>5,864,294</u>	<u>1,598,470</u>	<u>919,014</u>	<u>22,986,714</u>
Expenditures					
Current:					
General government	2,104,438	-	-	349,109	2,453,547
Public safety	5,310,316	-	-	-	5,310,316
Public works	370,434	-	-	-	370,434
TIF economic development	-	61,685	207,719	99,908	369,312
Debt service:					
Principal retirement	-	2,060,000	-	405,000	2,465,000
Interest and other	-	776,969	-	20,250	797,219
Capital outlay	<u>1,878,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,878,606</u>
Total expenditures	<u>9,663,794</u>	<u>2,898,654</u>	<u>207,719</u>	<u>874,267</u>	<u>13,644,434</u>
Excess (deficiency) of revenues over expenditures	<u>4,941,142</u>	<u>2,965,640</u>	<u>1,390,751</u>	<u>44,747</u>	<u>9,342,280</u>
Other Financing Sources (Uses)					
Transfers in	1,049,628	-	-	549,109	1,598,737
Transfers out	<u>(349,109)</u>	<u>(1,674,869)</u>	<u>(38,974)</u>	<u>(231,385)</u>	<u>(2,294,337)</u>
Total other financing sources (uses)	<u>700,519</u>	<u>(1,674,869)</u>	<u>(38,974)</u>	<u>317,724</u>	<u>(695,600)</u>
Net change in fund balances	5,641,661	1,290,771	1,351,777	362,471	8,646,680
Fund Balances, Beginning	<u>12,963,903</u>	<u>5,510,796</u>	<u>3,308,369</u>	<u>2,183,754</u>	<u>23,966,822</u>
Fund Balances, Ending	<u>\$18,605,564</u>	<u>\$ 6,801,567</u>	<u>\$ 4,660,146</u>	<u>\$ 2,546,225</u>	<u>\$ 32,613,502</u>

See notes to financial statements

Village of McCook

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2022

Net Change in Fund Balances, Total Governmental Funds \$ 8,646,680

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 net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements.	2,005,344
Depreciation is reported in the government-wide financial statements	(388,675)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(211,058)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal repaid	2,465,000

Governmental funds report debt premiums and discounts as other financing sources or uses. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Debt premium	146,274

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	29,172
Total OPEB liability	1,745,034
Net pension asset and net pension liability	(1,916,347)
Deferred outflows of resources related to pensions	1,086,144
Deferred inflows of resources related to pensions	755,797
Deferred outflows of resources related to OPEB	46,509
Deferred inflows of resources related to OPEB	(1,462,038)
Accrued interest payable	<u>6,978</u>

Change in Net Position of Governmental Activities \$ 12,954,814

Village of McCook

Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Water	Max	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,337,067	\$ 2,447,412	\$ 7,784,479
Investments	402,598	-	402,598
Receivables (net):			
Accounts	1,035,737	127,276	1,163,013
Note receivable	882,153	-	882,153
Lease receivable	-	492,676	492,676
Prepaid items	107,108	-	107,108
Total current assets	<u>7,764,663</u>	<u>3,067,364</u>	<u>10,832,027</u>
Noncurrent assets:			
Capital assets (net of accumulated depreciation):			
Land	-	2,142,625	2,142,625
Construction in progress	281,179	-	281,179
Land improvements	-	1,184,228	1,184,228
Buildings and improvements	945,011	13,877,324	14,822,335
Machinery and equipment	572,153	274,980	847,133
Vehicles	101,437	-	101,437
Infrastructure	4,240,831	79,986	4,320,817
Lease right-to-use	1,141,097	-	1,141,097
Total noncurrent assets	<u>7,281,708</u>	<u>17,559,143</u>	<u>24,840,851</u>
Total assets	<u>15,046,371</u>	<u>20,626,507</u>	<u>35,672,878</u>
Deferred Outflows of Resources			
Deferred outflows of resources related to OPEB	<u>446,473</u>	<u>49,915</u>	<u>496,388</u>
Total deferred outflows of resources	<u>446,473</u>	<u>49,915</u>	<u>496,388</u>

See notes to financial statements

Village of McCook

Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Water	Max	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 673,811	\$ 26,538	\$ 700,349
Accrued salaries	14,057	14,794	28,851
Unearned revenues	-	162,090	162,090
Accrued interest	-	32,267	32,267
Advances from other funds	-	1,100,000	1,100,000
Total current liabilities	<u>687,868</u>	<u>1,335,689</u>	<u>2,023,557</u>
Noncurrent liabilities:			
Long-term debt:			
Due within one year	185,739	629,614	815,353
Due in more than one year	<u>3,835,857</u>	<u>9,753,776</u>	<u>13,589,633</u>
Total noncurrent liabilities	<u>4,021,596</u>	<u>10,383,390</u>	<u>14,404,986</u>
Total liabilities	<u>4,709,464</u>	<u>11,719,079</u>	<u>16,428,543</u>
Deferred Inflows of Resources			
Deferred inflows of resources related to OPEB	459,611	51,384	510,995
Deferred inflows related to leases	-	<u>492,676</u>	<u>492,676</u>
Total deferred inflows of resources	<u>459,611</u>	<u>544,060</u>	<u>1,003,671</u>
Net Position			
Net investment in capital assets	5,749,272	7,427,933	13,177,205
Unrestricted	<u>4,574,497</u>	<u>985,350</u>	<u>5,559,847</u>
Total net position	<u>\$ 10,323,769</u>	<u>\$ 8,413,283</u>	<u>\$ 18,737,052</u>

See notes to financial statements

Village of McCook

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Water	Max	Total
Operating Revenues			
Water and sewer charges	\$ 12,265,646	\$ -	\$ 12,265,646
Late charges	8,094	-	8,094
Tap fees	28,000	-	28,000
Rentals and sales	-	2,038,461	2,038,461
	<u>12,301,740</u>	<u>2,038,461</u>	<u>14,340,201</u>
Total operating revenues			
	<u>12,301,740</u>	<u>2,038,461</u>	<u>14,340,201</u>
Operating Expenses			
Personnel services	1,523,808	787,049	2,310,857
Contractual services	9,753,426	340,675	10,094,101
Supplies	28,270	158,685	186,955
Repairs and maintenance	112,211	55,286	167,497
Electricity	186,264	112,875	299,139
Depreciation	347,361	629,622	976,983
Other charges	6,098	-	6,098
	<u>11,957,438</u>	<u>2,084,192</u>	<u>14,041,630</u>
Total operating expenses			
	<u>11,957,438</u>	<u>2,084,192</u>	<u>14,041,630</u>
Operating income (loss)	<u>344,302</u>	<u>(45,731)</u>	<u>298,571</u>
Nonoperating Revenues (Expenses)			
Interest income	4,492	31,607	36,099
Interest and other	(59,692)	(339,325)	(399,017)
Miscellaneous	48,427	-	48,427
	<u>(6,773)</u>	<u>(307,718)</u>	<u>(314,491)</u>
Total nonoperating revenues (expenses)			
	<u>(6,773)</u>	<u>(307,718)</u>	<u>(314,491)</u>
Income (loss) before contributions and transfers	<u>337,529</u>	<u>(353,449)</u>	<u>(15,920)</u>
Contributions and Transfers			
Capital contributions	-	10,249	10,249
Transfers in	-	995,600	995,600
Transfers out	(300,000)	-	(300,000)
	<u>(300,000)</u>	<u>1,005,849</u>	<u>705,849</u>
Total contributions and transfers			
	<u>(300,000)</u>	<u>1,005,849</u>	<u>705,849</u>
Change in net position	37,529	652,400	689,929
Net Position, Beginning	<u>10,286,240</u>	<u>7,760,883</u>	<u>18,047,123</u>
Net Position, Ending	<u>\$ 10,323,769</u>	<u>\$ 8,413,283</u>	<u>\$ 18,737,052</u>

See notes to financial statements

Village of McCook

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Water	Max	Total
Cash Flows From Operating Activities			
Received from customers	\$ 12,254,207	\$ 2,188,982	\$ 14,443,189
Paid to suppliers for goods and services	(10,212,013)	(669,324)	(10,881,337)
Paid to employees for services	<u>(822,627)</u>	<u>(761,001)</u>	<u>(1,583,628)</u>
Net cash flows from operating activities	<u>1,219,567</u>	<u>758,657</u>	<u>1,978,224</u>
Cash Flows From Investing Activities			
Investment income	4,492	11,624	16,116
(Purchase) of investment securities	<u>(4,492)</u>	<u>-</u>	<u>(4,492)</u>
Net cash flows from investing activities	<u>-</u>	<u>11,624</u>	<u>11,624</u>
Cash Flows From Noncapital Financing Activities			
Transfers, in from (out to) other funds	(300,000)	995,600	695,600
Interfund borrowing / (lending)	<u>(303,400)</u>	<u>(400,000)</u>	<u>(703,400)</u>
Net cash flows from noncapital financing activities	<u>(603,400)</u>	<u>595,600</u>	<u>(7,800)</u>
Cash Flows From Capital and Related Financing Activities			
Debt retired	(135,910)	(585,000)	(720,910)
Interest paid	(70,294)	(410,600)	(480,894)
Acquisition and construction of capital assets	(514,849)	-	(514,849)
Payments received on lending	119,376	-	119,376
Miscellaneous	48,427	-	48,427
Interest received for leases	<u>-</u>	<u>19,983</u>	<u>19,983</u>
Net cash flows from capital and related financing activities	<u>(553,250)</u>	<u>(975,617)</u>	<u>(1,528,867)</u>
Net change in cash and cash equivalents	62,917	390,264	453,181
Cash and Cash Equivalents, Beginning	<u>5,274,150</u>	<u>2,057,148</u>	<u>7,331,298</u>
Cash and Cash Equivalents, Ending	<u>\$ 5,337,067</u>	<u>\$ 2,447,412</u>	<u>\$ 7,784,479</u>

See notes to financial statements

Village of McCook

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Water	Max	Total
Reconciliation of Operating Income (Loss) to Net Cash			
Flows From Operating Activities			
Operating income (loss)	\$ 344,302	\$ (45,731)	\$ 298,571
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	347,361	629,622	976,983
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(41,428)	18,431	(22,997)
Decrease in prepaid expense	(107,108)	-	(107,108)
Increase (decrease) in accounts payable	(18,636)	(1,803)	(20,439)
Increase (decrease) in accrued salaries	(1,576)	1,831	255
Increase (decrease) in compensated absences	(45,737)	7,778	(37,959)
Increase in total OPEB liability and related deferrals	748,494	16,439	764,933
Decrease in water deposits/overpayments	(6,105)	-	(6,105)
Increase (decrease) in unearned revenue	-	132,090	132,090
Net cash flows from operating activities	<u>\$ 1,219,567</u>	<u>\$ 758,657</u>	<u>\$ 1,978,224</u>
Noncash Capital and Related Financing Activities			
Capital contribution	<u>\$ -</u>	<u>\$ 10,249</u>	

See notes to financial statements

Village of McCook

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2022

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 957,148
Investments, other, at fair value	15,886,999
Investments, certificates of deposits with banks	<u>198,083</u>
Total assets	<u>17,042,230</u>
Net Position	
Restricted for pension benefits	<u>17,042,230</u>
Total net position	<u>\$ 17,042,230</u>

Village of McCook

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2022

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employee contributions	\$ 164,109
Employer contributions	<u>1,250,000</u>
Total contributions	<u>1,414,109</u>
Investment income (loss)	<u>(1,907,295)</u>
Total investment income (loss)	(1,907,295)
Less investment management fees	<u>(25,443)</u>
Net investment income	<u>(1,932,738)</u>
Total additions	<u>(518,629)</u>
Deductions	
Payments to participants	1,131,253
Payments to beneficiaries	149,587
Administration	<u>43,737</u>
Total deductions	<u>1,324,577</u>
Change in fiduciary net position	(1,843,206)
Net Position, Beginning	<u>18,885,436</u>
Net Position, Ending	<u>\$ 17,042,230</u>

See notes to financial statements

Village of McCook

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December 31, 2022

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Village of McCook

Notes to Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies

The Village of McCook, Illinois (the Village) was incorporated in 1926. The Village is a home-rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The Village operates under a President-Trustee form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning and general administrative services.

The accounting policies of the Village of McCook, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Village of McCook

Notes to Financial Statements
December 31, 2022

Fiduciary Component Units

The Police Pension Employees Retirement System (PPERS) is established for the Village's police employees. 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 pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The Village and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. 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. PPERS is reported as a fiduciary component unit pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. Separately issued financial statements of the PPERS may be obtained from the PPERS.

The Firefighters' Pension Employees Retirement System (FPERS) is established for the Village's firefighters. FPERS functions for the benefit of these employees and is governed by a three-member pension board. Two members appointed by the Village's President and one pension beneficiary elected by the membership constitute the pension board. The Village and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. 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. FPERS is reported as a fiduciary component unit and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. Separately issued financial statements of the FPERS may be obtained from the FPERS.

Government-Wide and Fund Financial Statements

In June of 2017, the GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the Village's leasing activities. This standard was implemented January 1, 2022.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-Type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Village of McCook

Notes to Financial Statements
December 31, 2022

Fund Financial Statements

Financial statements of the Village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type and
- b. The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

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

The Village reports the following major governmental funds:

General Fund

General Fund accounts for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Special Revenue Funds

1st Avenue TIF Fund accounts for incremental real estate tax revenues received from the Village's Tax Increment Financing district that are to be used for the redevelopment of sites within the Redevelopment Project Area along 1st Avenue for more market oriented commercial uses of the properties to enhance the value of those properties and improve their contributions to the Village and its surrounding area.

Riverside TIF Fund accounts for incremental real estate tax revenues received from the Village's Tax Increment Financing district that are to be used for the redevelopment of sites within the Redevelopment Project Area along Riverside Avenue for more market oriented commercial uses of the properties to enhance the value of those properties and improve their contributions to the Village and its surrounding area.

Enterprise Funds

The Village reports the following major enterprise funds:

Water Utility accounts for operations of the water and sewer systems

MAX Fund accounts for operations of the McCook Athletic and Exposition Center

Village of McCook

Notes to Financial Statements
December 31, 2022

The Village reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Motor Fuel Tax Fund
Joliet Road TIF Fund
55th Street TIF Fund

Debt Service Fund

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs.

Debt Service Fund

Capital Projects Fund

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Projects Fund

In addition, the Village reports the following fund type:

Pension Trust Funds

Pension Trust Funds are used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans or other employee benefit plans.

Police Pension Fund
Firefighters' Pension Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and 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. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Village of McCook

Notes to Financial Statements
December 31, 2022

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The 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 proprietary funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources 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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Village of McCook

Notes to Financial Statements
December 31, 2022

Illinois Statutes authorize the Village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds Investment Pool.

Illinois Public Act 101 0610 consolidated the assets of the state's more than 650 downstate and suburban public safety pension funds into two consolidated investment funds and required the Police Pension Fund and Firefighters' Pension Fund to pool their funds for investment purposes. During the year, the investments of the Police Pension Fund were transferred to Illinois Police Officers' Pension Investment Fund and the investments of the Firefighters' Pension Fund were transferred to the Firefighters' Pension Investment Fund. The Illinois Police Officers' Pension Investment Fund and the Firefighters' Pension Investment Fund are external investment pools valued at share price, the price for which the investments could be sold.

The Illinois Police Officers' Pension Investment Fund's investment policy statement has an investment objective to earn a long-term, net-of-fees, investment return that meets or exceeds the actuarial assumed rate of return and the return of the Policy Benchmark consistent with the risk level expected from the asset allocation. In the March 4, 2022 actuarial experience study the Illinois Police Officers' Pension Investment Fund's actuaries recommended an investment return of 6.75%.

The Illinois Firefighters' Pension Investment Fund's investment policy has an investment objective that seeks to maximize the likelihood of meeting long-term return objectives, while (i) maintaining prudent risk exposure, (ii) controlling fees and expenses related to management of the Fund and (iii) complying with the governing provisions of the Illinois Pension Code (40 ILCS 5 et seq.) and other applicable laws and regulations. Long-term return objectives are based on an assumed rate of return as set forth by the Illinois Firefighters' Pension Investment Fund's actuary. In the December 1, 2021 actuarial experience study the Illinois Firefighters' Pension Investment Fund's actuaries recommended an investment return of 7.125%.

Additional information related to the Illinois Police Officers' Pension Investment Fund can be found at <https://www.ipopif.org>. Additional information related to the Illinois Firefighters' Pension Investment Fund can be found at <https://ifpif.org>

The Village has adopted an investment policy. That policy follows the state statute for allowable investments, except commercial paper, repurchase agreements on government securities, derivative products, reverse repurchase agreements, or tri-party repurchase agreements.

Interest Rate Risk

The Village's investment policy seek to ensure preservation of capital in the Village's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The Village's policy limits the Village to investments with a maturity of no more than 20 years from the date of purchase, unless matched to a specific cash flow. The Village's investment portfolio is required to be sufficiently liquid to enable the Village to meet all operating requirements as they come due.

Village of McCook

Notes to Financial Statements
December 31, 2022

Credit Risk

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The Village's investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

The Police Pension Fund limits its exposure to credit risk by investing in the Illinois Police Officers' Pension Investment Fund. The Firefighters' Pension Fund limits its exposure to credit risk by investing in the Firefighters' Pension Investment Fund.

Concentration of Credit Risk

The City's and Pensions' investment policies require diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer or maturity. The City's and Police Pension's policy further states that no financial institution shall hold more than 50% of the City's investment portfolio at the current time of investment placement. The City operates its investments as an internal investment pool where each fund reports its pro rata share of the investments made by the City. In this internal investment pool there were no investments which are subject to concentration for credit risk that represent more than 5% of the portfolio as of December 31, 2022.

Custodial Credit Risk, Deposits

With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Village does not require collateralization of deposits, unless the amount of the funds deposited in a financial institution exceeds 50% of the capital stock and surplus of a bank, exceeds 50% of the net worth of a savings bank or savings and loan association, or exceeds 50% of the unimpaired capital and surplus of a credit union. The police pension's and firefighters' pension's investment policy limits exposure to deposit custodial credit risk by requiring deposits in excess of FDIC insurable limits to be collateralized.

Custodial Credit Risk, Investments

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not require collateralization of investments, unless the amount of funds deposited in a financial institution exceeds 50% of the capital stock and surplus of a bank, or exceeds 50% of the unimpaired capital and surplus of a credit union.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, 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, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

See Note 3 for further information.

Village of McCook

Notes to Financial Statements
December 31, 2022

Receivables

Property taxes for levy year 2022 attaches as an enforceable lien on January 1, 2022, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance).

Tax bills for levy year 2022 are prepared by the Cook County Collector and issued on or about March 1, 2023 and July 1, 2023 and are payable in two installments, on or about April 1, 2023 and August 1, 2023 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2022 property tax levy is recognized as a receivable and deferred inflows in fiscal 2022, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2022, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2022 levy and any uncollected amounts from the 2021 levy.

The property tax receivable is shown net of an allowance for uncollectibles. The allowance is equal to 2% (\$215,271) of outstanding property taxes at December 31, 2022.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Village of McCook

Notes to Financial Statements
December 31, 2022

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Land Improvements	20 Years
Machinery and Equipment	5-15 Years
Infrastructure	30 Years
Water/Sewer Infrastructure	50 Years
Street Infrastructure	30 Years
Vehicles	8 Years

Lease assets are typically amortized over the lease term.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

The accumulated decrease in fair value of hedging derivatives represents the change in value of derivative instruments that are deemed to be an effective hedge.

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements and are payable with expendable resources. Employees earn a specified amount of vacation and sick leave each year. Vacations are accrued on a monthly basis and are used on a first in - first out basis. Vacations may accrue without limit. The liability for sick pay is recognized based on the employee's current rate of pay at year-end. Upon termination accumulated sick leave shall be paid at a proportionate rate equal to years of service for the remaining sick leave accumulated. The liability for sick pay is recognized based upon the employee's current rate of pay at year - end and years of service accumulated.

Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Village of McCook

Notes to Financial Statements
December 31, 2022

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

The Village has approved the issuance of educational facilities refunding revenue bonds and community revenue bonds for the benefit of two nonprofit organizations. The educational facilities refunding revenue bonds and the community revenue bonds are secured by revenue agreements on the associated projects and do not constitute indebtedness of the Village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At year end, the aggregate principal amount for the 2015 outstanding educational facilities refunding revenue bonds and the 2015 community revenue bonds outstanding was \$1,985,000 and \$5,897,012, respectively.

Leases

The Village is a lessor because it leases capital assets to other entities. As a lessor, the Village reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The Village continues to report and depreciate the capital assets being leased as capital assets of the primary government.

The Village is a lessee because it leases capital assets from other entities. As a lessee, the Village reports a lease liability and an intangible right-to-use capital asset (known as the lease asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the Village recognizes lease proceeds and capital outlay at initiation of the lease, and the outflow of resources for the lease liability as a debt service payment.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their 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 legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Village of McCook

Notes to Financial Statements
December 31, 2022

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their 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 legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for all governmental funds with the exception of the 55th Street TIF Fund.

Village of McCook

Notes to Financial Statements
December 31, 2022

3. Detailed Notes on All Funds

Deposits and Investments

The Village's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 22,103,424	\$ 23,879,485	Custodial credit risk, deposits
US agencies	60	60	Custodial credit risk, investments; Interest rate risk
Illinois Funds	16,518,969	16,518,969	Credit risk
Insurance contracts	5,181,825	5,181,825	Concentration of credit risk; Credit risk
Money Market Fund	345,664	345,664	Credit risk
Police Pension Investment Fund	9,458,388	9,458,388	Credit risk
Firefighters' Pension Investment Fund	1,246,726	1,246,726	Credit risk
Petty cash	<u>4,695</u>	<u>4,695</u>	N/A
Total deposits and investments	<u>\$ 54,859,751</u>	<u>\$ 56,635,812</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and cash equivalents	\$ 36,924,957		
Restricted cash and investments	369,640		
Investments	522,924		
Per statement of net position, fiduciary funds:			
Cash and cash equivalents	957,148		
Certificates of deposits classified as investments	198,083		
Investments, other	<u>15,886,999</u>		
Total deposits and investments	<u>\$ 54,859,751</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

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.

Village of McCook

Notes to Financial Statements
December 31, 2022

The valuation methods for recurring fair value measurements are as follows:

Investment Type	December 31, 2022			Total
	Level 1	Level 2	Level 3	
US agencies (explicitly)	\$ -	\$ 60	\$ -	\$ 60
Insurance contracts	-	-	5,181,825	5,181,825
Total	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 5,181,825</u>	<u>\$ 5,181,885</u>

The Police Pension Investment Fund of \$9,458,388 and the Firefighters' Pension Investment Fund of \$1,246,726 are measured at net asset value.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village.

As of December 31, 2022, \$95,664 of the Village's total bank balances were exposed to custodial credit risk as follows:

Primary government uninsured and uncollateralized	<u>\$ 95,664</u>
Total	<u>\$ 95,664</u>

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2022, the Village's investments were rated as follows:

Investment Type	Standard & Poors
Illinois Funds	AAAm
Insurance contracts	NR

The Pension Funds also held investments in the following external pools which are not rated:

Illinois Police Officer's Pension Investment Fund

Illinois Firefighters' Pension Investment Fund

Village of McCook

Notes to Financial Statements
December 31, 2022

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2022, the Police Pension Fund's investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Net Position</u>
Jackson National Life Insurance	Police Pension general contract	34.10 %

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2022, the Village's investments were as follows:

Police Pension Fund

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
US agencies (explicitly)	\$ 60	\$ -	\$ 60	\$ -	\$ -
Total	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ -</u>

See Note 1 for further information on deposit and investment policies.

Receivables

All of the receivables other than the note receivable on the balance sheet are expected to be collected within one year.

The note receivable reported in the Water Fund is for the water system interconnection loan provided to the Village of Lyons. Loan payments are made monthly and are expected to end in May 2029.

Village of McCook

Notes to Financial Statements
December 31, 2022

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 10,548,265	\$ -
Local revenue received after availability period	-	607,111
Unearned telecommunication fees	<u>13,917</u>	<u>-</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 10,562,182</u>	<u>\$ 607,111</u>
Unearned revenue included in liabilities	\$ 13,917	
Unearned revenue included in deferred inflows	<u>10,548,265</u>	
Total unearned revenue for governmental funds	<u>\$ 10,562,182</u>	

At the end of the current fiscal year, the various components of unearned revenue in the proprietary funds were as follows:

	<u>Unearned</u>
Unearned rental income	<u>\$ 162,090</u>
Total unearned revenue for proprietary funds	<u>\$ 162,090</u>

Restricted Assets

The following represent the balances of the restricted assets:

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

State and Federal Forfeiture

Police, state and federal forfeiture accounts are classified as restricted cash and investments in the financial statements.

Village of McCook

Notes to Financial Statements
December 31, 2022

Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Adjustments*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 168,488	\$ -	\$ -	\$ -	\$ 168,488
Construction in progress	-	-	140,943	-	140,943
Total capital assets not being depreciated	<u>168,488</u>	<u>-</u>	<u>140,943</u>	<u>-</u>	<u>309,431</u>
Capital assets being depreciated:					
Land improvements	91,950	-	-	-	91,950
Buildings	1,540,767	-	-	-	1,540,767
Machinery and equipment	2,940,742	(345,059)	80,911	-	2,676,594
Infrastructure	3,721,259	-	-	-	3,721,259
Vehicles	1,772,947	345,059	1,783,490	-	3,901,496
Total capital assets being depreciated	<u>10,067,665</u>	<u>-</u>	<u>1,864,401</u>	<u>-</u>	<u>11,932,066</u>
Total capital assets	<u>10,236,153</u>	<u>-</u>	<u>2,005,344</u>	<u>-</u>	<u>12,241,497</u>
Less accumulated depreciation for:					
Land improvements	(91,950)	-	-	-	(91,950)
Buildings	(761,064)	-	(38,712)	-	(799,776)
Machinery and equipment	(1,568,267)	(13,099)	(115,080)	-	(1,696,446)
Infrastructure	(3,200,404)	-	(33,714)	-	(3,234,118)
Vehicles	(1,698,649)	13,099	(201,169)	-	(1,886,719)
Total accumulated depreciation	<u>(7,320,334)</u>	<u>-</u>	<u>(388,675)</u>	<u>-</u>	<u>(7,709,009)</u>
Net capital assets being depreciated	<u>2,747,331</u>	<u>-</u>	<u>1,475,726</u>	<u>-</u>	<u>4,223,057</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 2,915,819</u>	<u>\$ -</u>	<u>\$ 1,616,669</u>	<u>\$ -</u>	<u>\$ 4,532,488</u>

* The adjustment column represents a reclassification of assets.

Depreciation expense was charged to functions as follows:

Governmental Activities	
Administration	\$ 50,524
Public safety	96,656
Public works, which includes the depreciation of infrastructure	<u>241,495</u>
Total governmental activities depreciation expense	<u>\$ 388,675</u>

Village of McCook

Notes to Financial Statements
December 31, 2022

	Beginning Balance	Adjustments*	Additions	Deletions	Ending Balance
Business-Type Activities					
Capital assets not being depreciated/amortized:					
Land	\$ 2,142,625	\$ -	\$ -	\$ -	\$ 2,142,625
Construction in progress	-	-	281,179	-	281,179
Total capital assets not being depreciated/amortized	<u>2,142,625</u>	<u>-</u>	<u>281,179</u>	<u>-</u>	<u>2,423,804</u>
Capital assets being depreciated/amortized:					
Buildings and improvements	21,179,153	-	-	-	21,179,153
Machinery and equipment	2,693,487	-	178,493	1,399	2,870,581
Vehicles	360,880	-	91,455	45,433	406,902
Infrastructure	11,276,352	-	-	-	11,276,352
Land improvements	1,593,576	-	-	27,525	1,566,051
Lease right-to-use	-	1,182,591	-	-	1,182,591
Total capital assets being depreciated/amortized	<u>37,103,448</u>	<u>1,182,591</u>	<u>269,948</u>	<u>74,357</u>	<u>38,481,630</u>
Total capital assets	<u>39,246,073</u>	<u>1,182,591</u>	<u>551,127</u>	<u>74,357</u>	<u>40,905,434</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(5,887,834)	-	(468,984)	-	(6,356,818)
Machinery and equipment	(1,856,359)	-	(168,488)	1,399	(2,023,448)
Vehicles	(304,320)	-	(20,549)	19,404	(305,465)
Infrastructure	(6,747,995)	-	(207,540)	-	(6,955,535)
Land improvements	(339,420)	-	(69,928)	27,525	(381,823)
Lease right-to-use	-	-	(41,494)	-	(41,494)
Total accumulated depreciation/amortization	<u>(15,135,928)</u>	<u>-</u>	<u>(976,983)</u>	<u>48,328</u>	<u>(16,064,583)</u>
Net capital assets being depreciated/amortized	<u>21,967,520</u>	<u>1,182,591</u>	<u>(707,035)</u>	<u>26,029</u>	<u>22,417,047</u>
Business-Type capital assets, net of accumulated depreciation/amortization	<u>\$ 24,110,145</u>	<u>\$ 1,182,591</u>	<u>\$ (425,856)</u>	<u>\$ 26,029</u>	<u>\$ 24,840,851</u>

* The adjustment column represents the restatement of capital assets to report right-to-use lease assets in accordance with GASB Statement No. 87, Leases.

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 347,361
Athletic and Exposition	<u>629,622</u>
Total business-type activities depreciation expense	<u>\$ 976,983</u>

Village of McCook

Notes to Financial Statements
December 31, 2022

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	General	\$ 4,732
General	1st Avenue TIF	<u>376,000</u>
Total, fund financial statements		380,732
Add interfund advance		1,100,000
Less government-wide eliminations		<u>(380,732)</u>
Total internal balances, government-wide statement of net position		<u>\$ 1,100,000</u>

All amounts are due within one year except interfund advances.

The due from/to balance between the General Fund and the Nonmajor Governmental Funds relates to the resplit on property taxes and motor fuel tax expenditures reimbursement.

The due from/to balance between the General Fund and the 1st Avenue TIF Fund relates to the interest rate subsidy and administration fees.

Advances

The General Fund is advancing funds to the MAX Fund. The amount advanced is outstanding transfer balance that has not been repaid as of fiscal year end. As of December 31, 2022, the advance is \$1,100,000. Repayment is expected to occur by 2028.

The principal purpose of this advance is to fund a portion of the MAX salaries and operations.

Village of McCook

Notes to Financial Statements
December 31, 2022

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General	Water	\$ 300,000
General	1st Avenue TIF	679,269
General	Riverside Avenue TIF	38,974
Nonmajor Governmental Funds	Nonmajor Governmental Funds	200,000
General	Nonmajor Governmental Funds	31,385
MAX	1st Avenue TIF	995,600
Nonmajor Governmental Funds	General	<u>349,109</u>
Total, fund financial statements		2,594,337
Less government-wide eliminations		(1,898,737)
Add capital contributions from 1st Ave TIF to MAX Fund		<u>10,249</u>
Total transfers, government-wide statement of activities		<u>\$ 705,849</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Village of McCook

Notes to Financial Statements
December 31, 2022

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Adjustments*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities						
Bonds payable:						
General obligation debt	\$ 12,075,000	\$ -	\$ -	\$ 1,675,000	\$ 10,400,000	\$ 1,375,000
Direct borrowing general obligation debt	5,515,000	-	-	790,000	4,725,000	840,000
(Discounts)/Premiums	<u>547,640</u>	<u>-</u>	<u>-</u>	<u>146,274</u>	<u>401,366</u>	<u>-</u>
Total bonds payable	<u>18,137,640</u>	<u>-</u>	<u>-</u>	<u>2,611,274</u>	<u>15,526,366</u>	<u>2,215,000</u>
Other liabilities:						
Vested compensated absences	414,995	-	206,042	235,214	385,823	122,151
Net pension liability, SLEP	7,372	-	-	7,372	-	-
Net pension liability, police	11,375,865	-	2,962,918	-	14,338,783	-
Net pension liability, firefighters'	127,897	-	-	49,325	78,572	-
Total OPEB liability	<u>14,342,731</u>	<u>-</u>	<u>-</u>	<u>1,745,034</u>	<u>12,597,697</u>	<u>-</u>
Total other liabilities	<u>26,268,860</u>	<u>-</u>	<u>3,168,960</u>	<u>2,036,945</u>	<u>27,400,875</u>	<u>122,151</u>
Total governmental activities long-term liabilities	<u>\$ 44,406,500</u>	<u>\$ -</u>	<u>\$ 3,168,960</u>	<u>\$ 4,648,219</u>	<u>\$ 42,927,241</u>	<u>\$ 2,337,151</u>
Business-Type Activities						
Bonds payable:						
General obligation debt	\$ 11,155,000	\$ -	\$ -	\$ 700,000	\$ 10,455,000	\$ 730,000
(Discounts)/Premiums	<u>588,235</u>	<u>-</u>	<u>-</u>	<u>79,927</u>	<u>508,308</u>	<u>-</u>
Total bonds payable	<u>11,743,235</u>	<u>-</u>	<u>-</u>	<u>779,927</u>	<u>10,963,308</u>	<u>730,000</u>
Other liabilities:						
Vested compensated absences	242,808	-	69,974	107,933	204,849	63,376
Lease obligations	-	1,156,460	-	20,910	1,135,550	21,977
Total OPEB liability	<u>1,488,797</u>	<u>-</u>	<u>617,543</u>	<u>5,061</u>	<u>2,101,279</u>	<u>-</u>
Total other liabilities	<u>1,731,605</u>	<u>1,156,460</u>	<u>687,517</u>	<u>133,904</u>	<u>3,441,678</u>	<u>85,353</u>
Total business-type activities long-term liabilities	<u>\$ 13,474,840</u>	<u>\$ 1,156,460</u>	<u>\$ 687,517</u>	<u>\$ 913,831</u>	<u>\$ 14,404,986</u>	<u>\$ 815,353</u>

* The adjustment column represents the restatement of long-term liabilities to report right-to-use lease assets in accordance with GASB Statement No. 87, Leases.

Village of McCook

Notes to Financial Statements
December 31, 2022

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the Village. Debt in the governmental funds will be retired by the 1st Avenue TIF and Debt Service Funds. The debt is also secured by a dedicated debt service property tax levies imposed at the time of issuance for the debt repayment.

The Village uses incremental property taxes of the 1st Avenue TIF Fund (Incremental Taxes) to repay most of the Governmental Activities debt instead of the dedicated debt service property tax levies. Accordingly, the Village annually abates the dedicated debt service levies based on anticipated Incremental Taxes. Further, the Village maintains cash balances in the General Fund and the 1st Avenue TIF Fund in excess of such abatements in the remote instance that Incremental Taxes would not be sufficient to pay annual debt service.

Direct borrowings have a fixed rate to maturity and are not subject to any change. The bonds have several default provision including payment defaults of the Village, failure to comply with covenants of the borrowing, bankruptcy or insolvency of the Village, failure to fund pension plans, and a downgrade by Standard and Poor's of its rating of any long-term unenhanced general obligation debt of the Village to below "BBB-". In the event of default, the purchaser of the Direct Borrowing has the option to accelerate the repayment. The Village has complied with all provisions of the Direct Borrowing and there are no outstanding events of default.

The Business-Type Activities debt are general obligations of the Village which has pledged its full faith and credit for repayment. The debt is also secured by a dedicated debt service property tax levies imposed at the time of issuance for the debt repayment.

The Village uses water and sewer user fees and rental and sales ("Enterprise Revenues") from the MAX to repay Business-Type Activities debt instead of the dedicated debt service property tax levies. Accordingly, the Village annually abates the dedicated debt service levies based on anticipated Enterprise Revenues. Further, the Village maintains cash balances in the Water and MAX Funds as well as the General Fund in excess of such abatements in the remote instance that Enterprise Revenues would not be sufficient to pay annual debt service.

The compensated absences liability, net pension liability and other post employment benefit liability attributable to governmental activities will be liquidated primarily by the General Fund and Water Fund.

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2022</u>
Series 2016A, 1st Avenue TIF and Debt Service	12/08/2016	12/1/2025	1.55% - 3.45%	\$ 8,830,000	\$ 4,425,000
Series 2016B, 1st Avenue TIF	12/29/2016	12/1/2028	3.75% - 3.90%	5,975,000	5,975,000
2012 Series, 1st Avenue TIF - Direct Borrowing	6/21/2012	12/1/2027	3.46%	10,000,000	<u>4,725,000</u>
Total governmental activities, general obligation debt					<u>\$ 15,125,000</u>

Village of McCook

Notes to Financial Statements
December 31, 2022

<u>Business-Type Activities</u> <u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2022</u>
Series 2019A MAX	4/17/2019	12/1/2035	4.00%	\$ 11,780,000	\$ 9,680,000
Series 2019A Water	4/17/2019	12/1/2028	4.00%	1,225,000	<u>775,000</u>
Total business-type activities, general obligation debt					<u>\$ 10,455,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u>						<u>Total</u>
	<u>General Obligation Debt</u>		<u>Direct Borrowings</u>		<u>Total</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 1,375,000	\$ 520,000	\$ 840,000	\$ 163,485	\$ 2,215,000	\$ 683,485	\$ 2,898,485
2024	1,475,000	451,250	890,000	134,421	2,365,000	585,671	2,950,671
2025	1,575,000	377,500	940,000	103,627	2,515,000	481,127	2,996,127
2026	1,900,000	298,750	1,000,000	71,103	2,900,000	369,853	3,269,853
2027	2,000,000	203,750	1,055,000	36,503	3,055,000	240,253	3,295,253
2028	<u>2,075,000</u>	<u>103,750</u>	<u>-</u>	<u>-</u>	<u>2,075,000</u>	<u>103,750</u>	<u>2,178,750</u>
Total	<u>\$ 10,400,000</u>	<u>\$ 1,955,000</u>	<u>\$ 4,725,000</u>	<u>\$ 509,139</u>	<u>\$ 15,125,000</u>	<u>\$ 2,464,139</u>	<u>\$ 17,589,139</u>

<u>Years</u>	<u>Business-Type Activities</u>						<u>Total</u>
	<u>Water Fund</u>		<u>Max Fund</u>		<u>Total</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 120,000	\$ 31,000	\$ 610,000	\$ 387,200	\$ 730,000	\$ 418,200	\$ 1,148,200
2024	120,000	26,200	640,000	362,800	760,000	389,000	1,149,000
2025	125,000	21,400	665,000	337,200	790,000	358,600	1,148,600
2026	130,000	16,400	690,000	310,600	820,000	327,000	1,147,000
2027	135,000	11,200	720,000	283,000	855,000	294,200	1,149,200
2028-2032	145,000	5,800	4,025,000	961,800	4,170,000	967,600	5,137,600
2033-2035	<u>-</u>	<u>-</u>	<u>2,330,000</u>	<u>169,600</u>	<u>2,330,000</u>	<u>169,600</u>	<u>2,499,600</u>
Total	<u>\$ 775,000</u>	<u>\$ 112,000</u>	<u>\$ 9,680,000</u>	<u>\$ 2,812,200</u>	<u>\$ 10,455,000</u>	<u>\$ 2,924,200</u>	<u>\$ 13,379,200</u>

Village of McCook

Notes to Financial Statements
December 31, 2022

Lease Disclosures

Lessee - Lease Assets

	<u>Beginning Balance</u>	<u>Adjustments*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities					
Lease assets being amortized:					
Land, leased	\$ -	\$ 1,182,591	\$ -	\$ -	\$ 1,182,591
Total lease assets being amortized	-	1,182,591	-	-	1,182,591
Less accumulated amortization for lease assets:					
Land, leased	-	(41,494)	-	-	(41,494)
Total accumulated amortization	-	(41,494)	-	-	(41,494)
Total business-type activities lease assets, net of accumulated amortization	<u>\$ -</u>	<u>\$ 1,224,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,141,097</u>

* The adjustment column represents a reclassification of assets.

Lessee - Lease Liabilities

<u>Business-Type Activities</u>					<u>Balance December 31, 2022</u>
<u>Lease Liabilities Description</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	
Tower, land easement	7/1/2011	6/30/2050	3.00%	\$ 1,182,591	<u>\$ 1,135,550</u>
Total business-type activities lease liabilities					<u>\$ 1,135,550</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 21,977	\$ 34,067	\$ 56,044
2024	23,086	33,407	56,493
2025	24,237	32,714	56,951
2026	25,431	31,987	57,418
2027	26,670	31,224	57,894
2028-2032	153,634	143,326	296,960
2033-2037	192,337	118,044	310,381
2038-2042	238,684	86,514	325,198
2043-2047	294,054	47,505	341,559
2048-2050	<u>135,440</u>	<u>6,140</u>	<u>141,580</u>
Total	<u>\$ 1,135,550</u>	<u>\$ 564,928</u>	<u>\$ 1,700,478</u>

Village of McCook

Notes to Financial Statements
December 31, 2022

Lessor - Lease Receivables

<u>Business-Type Activities</u>				Receivable Balance December 31, 2022
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	
Leased land, MAX lot	2/1/2015	1/31/2035	3.00%	\$ 236,536
Leased building, MAX restaurant	6/1/2021	5/31/2026	3.00%	<u>256,140</u>
Total business-type activities				<u>\$ 492,676</u>

The Village recognized \$72,385 of lease revenue during the fiscal year.

The Village recognized \$19,983 of interest revenue during the fiscal year.

4. Other Information

Employees' Retirement System

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), and agent-multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is a single-employer pension plan. The Illinois Pension Code establishes the provisions of the plans that can only be amended by the Illinois General Assembly. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position and required supplementary information. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. This report is also available for download at www.imrf.org.

The Village participates in two benefit plans under IMRF. The vast majority of members participate in the Regular Plan. The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs and selected police chiefs.

For the year ended December 31, 2022, the Village recognized the following balances in the government-wide financial statements:

	<u>Total Pension Liability</u>	<u>Net Pension Liability (Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense (Revenue)</u>
IMRF, Regular	\$ 7,561,472	\$ (2,289,610)	\$ 128,782	\$ 1,295,479	\$ (423,059)
IMRF, SLEP	147,009	(9,690)	-	22,920	(6,519)
Police Pension Plan	29,839,936	14,338,783	4,563,612	146,610	2,208,465
Firefighters' Pension Plan	<u>1,619,649</u>	<u>78,572</u>	<u>215,315</u>	<u>-</u>	<u>(217,542)</u>
Total	<u>\$ 39,168,066</u>	<u>\$ 12,118,055</u>	<u>\$ 4,907,709</u>	<u>\$ 1,465,009</u>	<u>\$ 1,561,345</u>

Village of McCook

Notes to Financial Statements
December 31, 2022

Illinois Municipal Retirement Fund

Plan Description

Both IMRF benefit plans have two tiers. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of their final rate of earnings for the first 15 years of service credit, plus 2% for each year of service 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 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

At December 31, 2021, the measurement date, membership in the plan was as follows:

	<u>Regular Plan</u>	<u>SLEP</u>
Retirees and beneficiaries	9	1
Inactive, non-retired members	27	-
Active members	<u>22</u>	<u>-</u>
Total	<u><u>58</u></u>	<u><u>1</u></u>

Contributions

As set by statute, Village employees participating in the Regular and SLEP plans are required to contribute 4.50% and 7.50%, respectively, of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's actuarially determined contribution rates for calendar year 2021 were 5.95% and 14.10%, respectively of annual covered payroll for the Regular and SLEP plans. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

The net pension liabilities/(assets) were measured as of December 31, 2021 and the total pension liabilities used to calculate the net pension liabilities/(assets) were determined by an actuarial valuation as of that date.

Village of McCook

Notes to Financial Statements
December 31, 2022

Summary of Significant Accounting Policies

For purposes of measuring the net pension liabilities/(assets), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Regular and SLEP plans and additions to/deductions from the Regular and SLEP plans fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The total pension liabilities for the Regular and SLEP plans were determined by actuarial valuations performed as of December 31, 2021 using the following actuarial methods and assumptions:

	<u>Regular Plan</u>	<u>SLEP</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	Market Value	Market Value
Actuarial assumptions		
Investment Rate of Return	7.25%	7.25%
Salary increases	2.85% to 13.75%, including inflation	2.85% to 13.75%, including inflation
Price inflation	2.25%	2.25%

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.

Village of McCook

Notes to Financial Statements
December 31, 2022

Long-Term Expected Real Rate of Return

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

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	39.00 %	3.25 %	1.90 %
International equities	15.00	4.89	3.15
Fixed income	25.00	(0.50)	(0.60)
Real estate	10.00	4.20	3.30
Alternatives	10.00		
Private equity		8.85	5.50
Hedge funds		-	-
Commodities		2.90	1.70
Cash equivalents	1.00	(0.90)	(0.90)

Discount Rate

The discount rate used to measure the total pension liability for IMRF and SLEP was 7.25%. The discount rate calculated using the December 31, 2020 measurement date was 7.25% for both plans. 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 actuarially determined contribution rate and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liabilities/(assets) to changes in the discount rates. The table below presents the net pension liabilities/(assets) of the Village calculated using the discount rates of 7.25% and 7.25%, respectively as well as what the net pension liabilities/(assets) would be if it were to be calculated using discount rates that are 1-percentage-point lower (6.25% for Regular and 6.25% for SLEP) or 1-percentage-point higher (8.25% for Regular and 8.25% for SLEP) than the current rates:

Regular Plan:	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 8,543,297	\$ 7,561,472	\$ 6,809,152
Plan fiduciary net position	<u>9,851,082</u>	<u>9,851,082</u>	<u>9,851,082</u>
Net pension liability/(asset)	<u>\$ (1,307,785)</u>	<u>\$ (2,289,610)</u>	<u>\$ (3,041,930)</u>

Village of McCook

Notes to Financial Statements
December 31, 2022

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
SLEP:			
Total pension liability	\$ 157,924	\$ 147,009	\$ 137,338
Plan fiduciary net position	<u>156,699</u>	<u>156,699</u>	<u>156,699</u>
Net pension liability/(asset)	<u>\$ 1,225</u>	<u>\$ (9,690)</u>	<u>\$ (19,361)</u>

Changes in Net Pension Liability/(Asset)

The changes in net pension liabilities/(assets) for the Regular and SLEP plans for the calendar year ended December 31, 2021 were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/(Asset) (a) - (b)</u>
Regular Plan:			
Balances at December 31, 2020	\$ 7,157,606	\$ 8,467,032	\$ (1,309,426)
Service cost	170,946	-	170,946
Interest on total pension liability	521,748	-	521,748
Differences between expected and actual experience of the total pension liability	(195,726)	-	(195,726)
Benefit payments, including refunds of employee contributions	(93,102)	(93,102)	-
Contributions, employer	-	104,393	(104,393)
Contributions, employee	-	78,840	(78,840)
Net investment income	-	1,346,520	(1,346,520)
Other (net transfer)	-	(52,601)	52,601
Balances at December 31, 2021	<u>\$ 7,561,472</u>	<u>\$ 9,851,082</u>	<u>\$ (2,289,610)</u>
Plan fiduciary net position as a percentage of the total pension liability			130.28 %
SLEP:			
Balances at December 31, 2020	\$ 148,412	\$ 141,040	\$ 7,372
Interest on total pension liability	10,247	-	10,247
Differences between expected and actual experience of the total pension liability	2,508	-	2,508
Benefit payments, including refunds of employee contributions	(14,158)	(14,158)	-
Contributions, employer	-	1,975	(1,975)
Net investment income	-	26,499	(26,499)
Other (net transfer)	-	1,343	(1,343)
Balances at December 31, 2021	<u>\$ 147,009</u>	<u>\$ 156,699</u>	<u>\$ (9,690)</u>
Plan fiduciary net position as a percentage of the total pension liability			106.59 %

Village of McCook

Notes to Financial Statements
December 31, 2022

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

For the year ended December 31, 2022, the Village recognized pension expense (revenue) of \$(423,059) and \$(6,519) for the Regular and SLEP plans, respectively. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,361	\$ 268,680
Assumption changes	57,184	58,273
Net difference between projected and actual earnings on pension plan investments	-	968,526
Contributions subsequent to the measurement date	<u>67,237</u>	<u>-</u>
Total	<u>\$ 128,782</u>	<u>\$ 1,295,479</u>

SLEP:

Net difference between projected and actual earnings on pension plan investments	<u>\$ -</u>	<u>\$ 22,920</u>
Total	<u>\$ -</u>	<u>\$ 22,920</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liabilities/(assets) for the year ending December 31, 2023. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$(1,233,934) for Regular and \$(22,920) for SLEP) will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Regular Plan</u>	<u>SLEP</u>
2023	\$ (356,668)	\$ (4,964)
2024	(477,593)	(8,997)
2025	(253,413)	(5,624)
2026	<u>(146,260)</u>	<u>(3,335)</u>
Total	<u>\$ (1,233,934)</u>	<u>\$ (22,920)</u>

Police Pension

Plan Description

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Village of McCook

Notes to Financial Statements
December 31, 2022

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership

At December 31, 2022, the Police Pension membership consisted of:

Retirees and beneficiaries	18
Inactive, non-retired members	-
Active members	<u>15</u>
Total	<u><u>33</u></u>

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 plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending December 31, 2022 was 69.64% of annual covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Village of McCook

Notes to Financial Statements
December 31, 2022

Summary of Significant Accounting Policies

The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of December 31, 2022 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	6.25%
Inflation	2.50%
Projected salary increases	3.00%
Cost-of-living adjustments	Tier 1 - 3.00% Tier 2 - 1.50%

Mortality rates were based on the PUB-2010 Mortality Table for Safety Workers, amount weighted, projected generationally using the MP-2021 Mortality Table. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012

Discount Rate

The discount rate used to measure the total pension liability for the Police Pension Plan was 6.25%, 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 actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Village of McCook

Notes to Financial Statements
December 31, 2022

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 6.25% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 34,476,391	\$ 29,839,936	\$ 26,124,177
Plan fiduciary net position	<u>15,501,153</u>	<u>15,501,153</u>	<u>15,501,153</u>
Net pension liability	<u>\$ 18,975,238</u>	<u>\$ 14,338,783</u>	<u>\$ 10,623,024</u>

Changes in Net Pension Liability/(Asset)

The Village's changes in net pension liability/(asset) for the calendar year ended December 31, 2022 was as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/Asset (a) - (b)</u>
Balances at December 31, 2021	\$ 28,427,465	\$ 17,051,600	\$ 11,375,865
Service cost	212,259	-	212,259
Interest on total pension liability	1,746,323	-	1,746,323
Differences between expected and actual experience of the total pension liability	638,761	-	638,761
Benefit payments, including refunds of employee contributions	(1,184,872)	(1,184,872)	-
Contributions, employer	-	1,200,000	(1,200,000)
Contributions, employee	-	164,109	(164,109)
Net investment income	-	(1,697,090)	1,697,090
Administration	-	(32,594)	32,594
Balances at December 31, 2022	<u>\$ 29,839,936</u>	<u>\$ 15,501,153</u>	<u>\$ 14,338,783</u>
Plan fiduciary net position as a percentage of the total pension liability			51.95 %

Village of McCook

Notes to Financial Statements
December 31, 2022

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

For the year ended December 31, 2022, the Village recognized pension expense of \$2,208,465. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,885,979	\$ 146,610
Assumption changes	335,258	-
Net difference between projected and actual earnings on pension plan investments	<u>1,342,375</u>	<u>-</u>
Total	<u>\$ 4,563,612</u>	<u>\$ 146,610</u>

The amounts reported as deferred outflows and inflows of resources related to pensions (\$4,417,002) will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 993,894
2024	1,187,291
2025	1,275,085
2026	938,536
2027	<u>22,196</u>
Total	<u>\$ 4,417,002</u>

Firefighters' Pension

Plan Description

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

Village of McCook

Notes to Financial Statements
December 31, 2022

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership

At December 31, 2022, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	1
Inactive, non-retired members	-
Active members	-
	<hr/>
Total	<u>1</u>

Contributions

Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2022, there were no active participants in the plan. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. The fire pension does not have covered payroll for fiscal year 2022.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies

The financial statements of the Firefighters' Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of December 31, 2022 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	3.72%
Inflation	3.72%
Projected salary increases	2.75%
Cost-of-living adjustments	Tier 1 - 3.00% Tier 2 - 1.50%

Mortality rates were based on the PUB-2010 Mortality Table for Safety Workers, amount weighted, projected generationally using the MP-2021 Mortality Table. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate

The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 3.72%, 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 actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Village of McCook

Notes to Financial Statements
December 31, 2022

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 3.72% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1-percentage-point lower (2.72%) or 1-percentage-point higher (4.72%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 1,799,651	\$ 1,619,649	\$ 1,466,680
Plan fiduciary net position	<u>1,541,077</u>	<u>1,541,077</u>	<u>1,541,077</u>
Net pension liability / (asset)	<u>\$ 258,574</u>	<u>\$ 78,572</u>	<u>\$ (74,397)</u>

Changes in Net Pension Liability/(Asset)

The Village's changes in net pension liability/(asset) for the calendar year ended December 31, 2022 was as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/Asset (a) - (b)</u>
Balances at December 31, 2021	\$ 1,961,733	\$ 1,833,836	\$ 127,897
Interest on total pension liability	39,424	-	39,424
Differences between expected and actual experience of the total pension liability	31,016	-	31,016
Change of assumptions	(316,556)	-	(316,556)
Benefit payments, including refunds of employee contributions	(95,968)	(95,968)	-
Contributions, employer	-	50,000	(50,000)
Net investment income	-	(235,648)	235,648
Administration	-	(11,143)	11,143
Balances at December 31, 2022	<u>\$ 1,619,649</u>	<u>\$ 1,541,077</u>	<u>\$ 78,572</u>

Plan fiduciary net position as a percentage of the total pension liability 95.15 %

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

For the year ended December 31, 2022, the Village recognized pension expense (revenue) of \$(217,542). The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Assumption changes	\$ 215,315	\$ -
Total	<u>\$ 215,315</u>	<u>\$ -</u>

Village of McCook

Notes to Financial Statements
December 31, 2022

The amounts reported as deferred outflows and inflows of resources related to pensions (\$215,315) will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 47,758
2024	56,497
2025	56,491
2026	<u>54,569</u>
Total	<u>\$ 215,315</u>

Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The Village participates in a public entity risk pool called to provide coverage for losses from (torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees). However, other risks, such as (torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees) are accounted for and financed by the Village in the general fund.

Public Entity Risk Pool

ICRMT

The Village participates in the Illinois Counties Risk Management Trust (ICRMT). ICRMT is an organization of municipalities and special districts in Illinois, which has formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the Village is party to various pending claims and legal proceedings. 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.

The Village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Village of McCook

Notes to Financial Statements
December 31, 2022

Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description

The Village administers a single-employer defined benefit healthcare plan. The plan provides health coverage for eligible retirees through the Village's group health insurance plan, the dental plan and group whole life insurance plan which covers both active and retired members. Benefit provisions are established through personnel policy guidelines and collective bargaining agreements. The Retiree Health Plan does not issue a publicly available financial report. The Village's OPEB plan is a single-employer defined benefit OPEB plan administered by the Village. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

Contribution requirements are established through personnel policy guidelines and collective bargaining agreements and may be amended only through negotiations between the Village and the union. The Village provides pre and post-Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's three retirement plans. The Village pays a subsidy of 100% of the cost of the monthly health and dental insurance premiums for the retirees who were hired before July 1, 2005 and have served 25 years. For retirees hired after June 30, 2005 who have served 25 years, the Village pays a subsidy of 100% of the cost of the health and dental insurance premiums for the retirees who elect HMO coverage. Retirees hired after June 30, 2005 who have served 25 years and who elect PPO are required to pay the differential between the PPO cost and the HMO cost. For retirees hired after June 30, 2005 who have served 2 years, the Village pays a subsidy of half the health and dental insurance premium for HMO or PPO coverage and the retiree is required to pay the remainder. All IMRF employees with 8 years of service at age 55 are able to remain on the Village plan until age 65 at the full cost to the retiree. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	19
Active plan members	<u>44</u>
Total	<u><u>63</u></u>

Total OPEB Liability

The Village's total OPEB liability of \$14,698,976 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Village of McCook

Notes to Financial Statements
December 31, 2022

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	N/A
Healthcare cost trend rates	4.00%
Retirees' share of benefit-related costs	0%

The discount rate was based on the composite 20-bond GO index for municipal bonds at December 31, 2022.

Mortality rates were based on the PUB-2010 Mortality Table for Safety Workers or General staff (as applicable), headcount-weighted, projected generationally using the MP-2021.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study January 1, 2022 - December 31, 2022.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at December 31, 2021	\$ 15,831,528
Changes for the year:	
Service cost	466,369
Interest	331,384
Differences between expected and actual experience	1,260,887
Changes in assumptions or other inputs	(2,768,678)
Benefit payments	<u>(422,514)</u>
Net changes	<u>(1,132,552)</u>
Balances at December 31, 2022	<u>\$ 14,698,976</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.06% in 2021 to 3.72% in 2022.

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.7%) or 1-percentage-point higher (4.75) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 16,967,335	\$ 14,698,976	\$ 12,890,491

Village of McCook

Notes to Financial Statements
December 31, 2022

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.0% decreasing to 2.7%) or 1-percentage-point higher (5.0% decreasing to 4.7%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 12,824,255	\$ 14,698,976	\$ 17,042,618

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

For the year ended December 31, 2022, the Village recognized OPEB expense of \$857,942. At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,351,016	\$ 957,220
Changes of assumptions or other inputs	<u>2,121,346</u>	<u>2,617,314</u>
Total	<u>\$ 3,472,362</u>	<u>\$ 3,574,534</u>

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

<u>Year Ended December 31:</u>	<u>Amount</u>
2023	\$ 60,189
2024	181,184
2025	279,079
2026	(309,843)
2027	(285,640)
Thereafter	<u>(27,141)</u>
Total	<u>\$ (102,172)</u>

Tax Abatement

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Village is disclosing all abatement agreements individually.

Village of McCook

Notes to Financial Statements
December 31, 2022

The Village through its tax incremental financing district, First Avenue has entered into a tax abatement agreement with a developer in the form of tax incremental financing incentive payments to stimulate economic development. The abatement was authorized through the Village Board ordinance for the reimbursement of property tax increment for various projects. The developer pays property taxes as they become due and after meeting the criteria established in the development agreement, are entitled to future incentive payments that directly correlate to the taxes paid.

<u>Agreement Description</u>	<u>Calculation Method</u>	<u>Developer Commitment</u>	<u>2022 Payments</u>
Redevelopment Agreement	Reimbursement of eligible costs not to exceed \$500,000 and \$0.40/sq. ft. of building area, but not to exceed 35% of the tax bill	Construction and operation of a redevelopment project at 8201 West 47th Street	\$ 167,846

Village property tax revenues are impacted by certain reduced assessments granted by the County of Cook in conjunction with the Village Board for the development or redevelopment of industrial properties. The properties receive a real estate tax incentive through a reduction in the assessment from the standard rate to a reduced value for a period of time. Under the Village's property tax levy, tax revenues are not reduced in the whole. Those properties received a reduced bill due to the reduced assessment. In fiscal year 2022, the total estimated impact of these incentives is a reduction in property taxes for those properties in the amount of approximately \$800,000. However, when the properties reside in a tax incremental financing district, the Village is only able to capture incremental property tax revenue based on the reduced assessment. In fiscal year 2022, this resulted in approximately \$12 million of forgone incremental property tax revenue. This incremental property tax would have been revenue in the Village's TIF funds.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Village of McCook

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual - General Fund

Year Ended December 31, 2022

With Comparative Actual Amounts for the Year Ended December 31, 2021

	2022			2021 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
Revenues				
Taxes				
Real estate	\$ 3,976,993	\$ 3,578,859	\$ (398,134)	\$ 3,872,733
Sales	1,500,000	2,437,427	937,427	1,693,103
Other taxes	5,000	8,868	3,868	11,598
Dumping	125,000	140,211	15,211	194,936
Tax stamp	175,000	517,160	342,160	729,953
Mineral sales/use	60,000	82,793	22,793	80,599
2% fire	12,500	13,691	1,191	14,460
Video Gaming tax	75,000	95,721	20,721	74,440
Environmental	40,000	40,000	-	40,000
Telecommunication	120,000	87,412	(32,588)	91,067
Host	15,000	13,462	(1,538)	16,621
Waste transfer	100,000	88,135	(11,865)	118,079
Total taxes	<u>6,204,493</u>	<u>7,103,739</u>	<u>899,246</u>	<u>6,937,589</u>
Intergovernmental				
Federal forfeiture	-	377,510	377,510	23,100
Federal grants	-	71,032	71,032	180,405
Replacement	600,000	1,796,866	1,196,866	933,652
State income	25,000	40,574	15,574	25,304
Total intergovernmental	<u>625,000</u>	<u>2,285,982</u>	<u>1,660,982</u>	<u>1,162,461</u>
Licenses, permits and fees	1,250,000	1,921,596	671,596	508,090
Fines and police reports	400,000	510,595	110,595	528,990
Interest	15,000	259,139	244,139	6,022
Miscellaneous	250,000	2,523,885	2,273,885	1,341,051
Total revenues	<u>8,744,493</u>	<u>14,604,936</u>	<u>5,860,443</u>	<u>10,484,203</u>
Expenditures				
General government:				
General government	<u>3,974,623</u>	<u>2,104,438</u>	<u>1,870,185</u>	<u>2,306,715</u>
Public safety:				
License and enforcement	111,450	103,928	7,522	94,064
Police department	4,131,410	3,989,880	141,530	3,592,074
Fire department	1,136,000	1,048,180	87,820	1,132,354
Board of police and fire commissioners	42,560	16,486	26,074	12,052
Environmental control	172,900	151,842	21,058	82,897
Total	<u>5,594,320</u>	<u>5,310,316</u>	<u>284,004</u>	<u>4,913,441</u>

See notes to required supplementary information

Village of McCook

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual - General Fund

Year Ended December 31, 2022

With Comparative Actual Amounts for the Year Ended December 31, 2021

	2022			2021 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
Public Works:				
Buildings and grounds	\$ 369,500	\$ 317,120	\$ 52,380	\$ 312,216
Sanitation	5,500	344	5,156	359
Streets	29,500	18,900	10,600	158,855
Street lighting	<u>32,000</u>	<u>34,070</u>	<u>(2,070)</u>	<u>33,323</u>
Total	<u>436,500</u>	<u>370,434</u>	<u>66,066</u>	<u>504,753</u>
Capital Outlay:				
General government	16,500	11,621	4,879	10,331
License and enforcement	3,000	2,504	496	6,883
Police department	23,500	16,829	6,671	12,306
Fire department	267,000	1,782,496	(1,515,496)	266,965
Buildings and grounds	53,000	31,853	21,147	32,632
Streets	30,000	27,054	2,946	7,098
Street lighting	<u>27,000</u>	<u>6,249</u>	<u>20,751</u>	<u>9,666</u>
Total	<u>420,000</u>	<u>1,878,606</u>	<u>(1,458,606)</u>	<u>345,881</u>
Total expenditures	<u>10,425,443</u>	<u>9,663,794</u>	<u>761,649</u>	<u>8,070,790</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,680,950)</u>	<u>4,941,142</u>	<u>6,622,092</u>	<u>2,413,413</u>
Other Financing Sources (Uses)				
Transfers in	2,240,000	1,049,628	(1,190,372)	1,262,660
Transfers out	<u>1,500,000</u>	<u>(349,109)</u>	<u>(1,849,109)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,740,000</u>	<u>700,519</u>	<u>(3,039,481)</u>	<u>1,262,660</u>
Net change in fund balance	<u>\$ 2,059,050</u>	5,641,661	<u>\$ 3,582,611</u>	3,676,073
Fund Balance, Beginning		<u>12,963,903</u>		<u>9,287,830</u>
Fund Balance, Ending		<u>\$ 18,605,564</u>		<u>\$ 12,963,903</u>

See notes to required supplementary information

Village of McCook

Schedule of Revenues, Expenditures and Changes

in Fund Balances - Budget and Actual - 1st Avenue TIF - Special Revenue Fund

Year Ended December 31, 2022

With Comparative Actual Amounts for the Year Ended December 31, 2021

	2022		Variance with Final Budget	2021 Actual
	Original and Final Budget	Actual		
Revenues				
Real estate	\$ 5,900,000	\$ 5,372,903	\$ (527,097)	\$ 5,818,577
Interest earned	20,000	17,391	(2,609)	3,558
Miscellaneous	-	474,000	474,000	-
Total revenues	<u>5,920,000</u>	<u>5,864,294</u>	<u>(55,706)</u>	<u>5,822,135</u>
Expenditures				
Current:				
Community development	841,300	23,540	817,760	298,356
Professional services	63,000	38,145	24,855	57,298
Debt service:				
Principal retirement	2,060,000	2,060,000	-	1,700,000
Interest and other	<u>760,819</u>	<u>776,969</u>	<u>(16,150)</u>	<u>839,904</u>
Total expenditures	<u>3,725,119</u>	<u>2,898,654</u>	<u>826,465</u>	<u>2,895,558</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,194,881</u>	<u>2,965,640</u>	<u>770,759</u>	<u>2,926,577</u>
Other Financing Sources (Uses)				
Transfers out	<u>(1,670,600)</u>	<u>(1,674,869)</u>	<u>(4,269)</u>	<u>(1,692,698)</u>
Total other financing sources (uses)	<u>(1,670,600)</u>	<u>(1,674,869)</u>	<u>(4,269)</u>	<u>(1,692,698)</u>
Net change in fund balance	<u>\$ 524,281</u>	1,290,771	<u>\$ 766,490</u>	1,233,879
Fund Balance, Beginning		<u>5,510,796</u>		<u>4,276,917</u>
Fund Balance, Ending		<u>\$ 6,801,567</u>		<u>\$ 5,510,796</u>

See notes to required supplementary information

Village of McCook

Schedule of Revenues, Expenditures, and Changes

in Fund Balances - Budget and Actual - Riverside TIF - Special Revenue Fund

Year Ended December 31, 2022

With Comparative Actual Amounts for the Year Ended December 31, 2021

	2022			2021 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
Revenues				
Real estate	\$ 1,625,000	\$ 1,596,439	\$ (28,561)	\$ 1,635,514
Interest earned	<u>500</u>	<u>2,031</u>	<u>1,531</u>	<u>1,379</u>
Total revenues	<u>1,625,500</u>	<u>1,598,470</u>	<u>(27,030)</u>	<u>1,636,893</u>
Expenditures				
Current:				
Community development	502,100	199,080	303,020	164,726
Professional services	<u>13,000</u>	<u>8,639</u>	<u>4,361</u>	<u>14,800</u>
Total expenditures	<u>515,100</u>	<u>207,719</u>	<u>307,381</u>	<u>179,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,110,400</u>	<u>1,390,751</u>	<u>280,351</u>	<u>1,457,367</u>
Other Financing Sources (Uses)				
Transfers out	<u>(35,000)</u>	<u>(38,974)</u>	<u>(3,974)</u>	<u>(35,431)</u>
Total other financing sources (uses)	<u>(35,000)</u>	<u>(38,974)</u>	<u>(3,974)</u>	<u>(35,431)</u>
Net change in fund balance	<u>\$ 1,075,400</u>	1,351,777	<u>\$ 276,377</u>	1,421,936
Fund Balance, Beginning		<u>3,308,369</u>		<u>1,886,433</u>
Fund Balance, Ending		<u>\$ 4,660,146</u>		<u>\$ 3,308,369</u>

See notes to required supplementary information

Village of McCook

Illinois Municipal Retirement Fund
 Schedule of Changes in the Village's Net Pension Liability (Asset) and Related Ratios
 Last Eight Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability								
Service cost	\$ 243,379	\$ 174,332	\$ 195,334	\$ 206,716	\$ 210,880	\$ 218,963	\$ 209,826	\$ 170,946
Interest	346,789	343,140	371,880	400,165	427,389	465,159	490,975	521,748
Differences between expected and actual experience	(518,848)	(7,698)	(89,249)	44,966	(47,168)	(238,574)	(85,592)	(195,726)
Changes of assumptions	101,857	-	-	(191,230)	212,808	-	(82,449)	-
Benefit payments, including refunds of member contributions	(209,819)	(164,800)	(109,357)	(103,671)	(95,769)	(85,183)	(84,622)	(93,102)
Net change in total pension liability	(36,642)	344,974	368,608	356,946	708,140	360,365	448,138	403,866
Total Pension Liability, Beginning	<u>4,607,077</u>	<u>4,570,435</u>	<u>4,915,409</u>	<u>5,284,017</u>	<u>5,640,963</u>	<u>6,349,103</u>	<u>6,709,468</u>	<u>7,157,606</u>
Total Pension Liability, Ending (a)	<u>\$ 4,570,435</u>	<u>\$ 4,915,409</u>	<u>\$ 5,284,017</u>	<u>\$ 5,640,963</u>	<u>\$ 6,349,103</u>	<u>\$ 6,709,468</u>	<u>\$ 7,157,606</u>	<u>\$ 7,561,472</u>
Plan Fiduciary Net Position								
Employer contributions	\$ 151,666	\$ 131,521	\$ 104,998	\$ 126,918	\$ 141,471	\$ 107,241	\$ 112,950	\$ 104,393
Employee contributions	91,981	75,298	83,627	89,660	94,595	98,086	85,139	78,840
Net investment income	313,384	27,105	360,278	914,878	(277,013)	1,113,970	991,494	1,346,520
Benefit payments, including refunds of member contributions	(209,819)	(164,800)	(109,357)	(103,671)	(95,769)	(85,183)	(84,622)	(93,102)
Other (net transfer)	(67,695)	(325,311)	(181,899)	(32,734)	50,208	(198,388)	16,289	(52,601)
Net change in plan fiduciary net position	279,517	(256,187)	257,647	995,051	(86,508)	1,035,726	1,121,250	1,384,050
Plan Fiduciary Net Position, Beginning	<u>5,120,536</u>	<u>5,400,053</u>	<u>5,143,866</u>	<u>5,401,513</u>	<u>6,396,564</u>	<u>6,310,056</u>	<u>7,345,782</u>	<u>8,467,032</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 5,400,053</u>	<u>\$ 5,143,866</u>	<u>\$ 5,401,513</u>	<u>\$ 6,396,564</u>	<u>\$ 6,310,056</u>	<u>\$ 7,345,782</u>	<u>\$ 8,467,032</u>	<u>\$ 9,851,082</u>
Employer's Net Pension Liability (Asset), Ending (a) - (b)	<u>\$ (829,618)</u>	<u>\$ (228,457)</u>	<u>\$ (117,496)</u>	<u>\$ (755,601)</u>	<u>\$ 39,047</u>	<u>\$ (636,314)</u>	<u>\$ (1,309,426)</u>	<u>\$ (2,289,610)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	118.15%	104.65%	102.22%	113.39%	99.38%	109.48%	118.29%	130.28%
Covered Payroll	\$ 1,575,567	\$ 1,673,290	\$ 1,858,374	\$ 1,992,433	\$ 2,102,095	\$ 2,179,689	\$ 1,891,966	\$ 1,713,635
Employer's Net Pension Liability as a Percentage of Covered Payroll	52.66%	-13.65%	-6.32%	-37.92%	1.86%	-29.19%	-69.21%	-133.61%

Notes to Schedule:

The Village implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

See notes to required supplementary information

Village of McCook

Illinois Municipal Retirement Fund
 Schedule of Employer Contributions
 Last Eight Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially determined contribution	\$ 131,521	\$ 104,998	\$ 126,918	\$ 141,471	\$ 107,241	\$ 112,952	\$ 104,393	\$ 67,237
Contributions in relation to the actuarially determined contribution	<u>(131,521)</u>	<u>(104,998)</u>	<u>(126,918)</u>	<u>(141,471)</u>	<u>(107,241)</u>	<u>(112,952)</u>	<u>(104,393)</u>	<u>(67,237)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,575,567	\$ 1,673,290	\$ 1,858,374	\$ 1,992,433	\$ 2,102,095	\$ 2,179,689	\$ 1,891,966	\$ 1,713,635
Contributions as a percentage of covered payroll	8.35%	6.27%	6.83%	7.10%	5.10%	5.18%	5.52%	3.92%

Notes to Schedule:

The Village implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years
Asset valuation method	5-Year Smoothed Market
Inflation	2.50%
Salary increases	3.35% to 14.25% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2017 (base year 2015)

Other information:

There were no benefit changes during the year.

Village of McCook

Illinois Municipal Retirement Fund - SLEP

Schedule of Changes in the Village's Net Pension Liability (Asset) and Related Ratios

Eight Most Recent Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability								
Interest	\$ 10,333	\$ 10,619	\$ 10,631	\$ 10,941	\$ 10,562	\$ 10,377	\$ 10,314	\$ 10,247
Differences between expected and actual experience	1,036	1,796	1,921	1,950	2,187	2,411	2,602	2,508
Changes of assumptions	10,462	(145)	(8,094)	(4,956)	2,872	-	148	-
Benefit payments, including refunds of member contributions	(11,484)	(12,159)	(12,493)	(12,816)	(13,150)	(13,489)	(13,825)	(14,158)
Net change in total pension liability	10,347	111	(8,035)	(4,881)	2,471	(701)	(761)	(1,403)
Total Pension Liability, Beginning	149,861	160,208	160,319	152,284	147,403	149,874	149,173	148,412
Total Pension Liability, Ending (a)	<u>\$ 160,208</u>	<u>\$ 160,319</u>	<u>\$ 152,284</u>	<u>\$ 147,403</u>	<u>\$ 149,874</u>	<u>\$ 149,173</u>	<u>\$ 148,412</u>	<u>\$ 147,009</u>
Plan Fiduciary Net Position								
Employer contributions	\$ -	\$ 3,916	\$ 4,124	\$ 3,381	\$ 2,270	\$ 1,826	\$ 2,254	\$ 1,975
Net investment income	6,984	564	8,159	24,189	(10,547)	24,816	20,514	26,499
Benefit payments, including refunds of member contributions	(11,484)	(12,159)	(12,493)	(12,816)	(13,150)	(13,489)	(13,825)	(14,158)
Other (net transfer)	1,129	9,589	1,591	(3,744)	4,895	1,690	2,616	1,343
Net change in plan fiduciary net position	(3,371)	1,910	1,381	11,010	(16,532)	14,843	11,559	15,659
Plan Fiduciary Net Position, Beginning	120,240	116,869	118,779	120,160	131,170	114,638	129,481	141,040
Plan Fiduciary Net Position, Ending (b)	<u>\$ 116,869</u>	<u>\$ 118,779</u>	<u>\$ 120,160</u>	<u>\$ 131,170</u>	<u>\$ 114,638</u>	<u>\$ 129,481</u>	<u>\$ 141,040</u>	<u>\$ 156,699</u>
Employer's Net Pension Liability (Asset), Ending (a) - (b)	<u>\$ 43,339</u>	<u>\$ 41,540</u>	<u>\$ 32,124</u>	<u>\$ 16,233</u>	<u>\$ 35,236</u>	<u>\$ 19,692</u>	<u>\$ 7,372</u>	<u>\$ (9,690)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.95%	74.09%	78.91%	88.99%	76.49%	86.80%	95.03%	106.59%
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

The Village implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

See notes to required supplementary information

Village of McCook

Illinois Municipal Retirement Fund - SLEP
 Schedule of Employer Contributions
 Eight Most Recent Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	(3,916)	(4,124)	(3,381)	(2,270)	(1,826)	(2,254)	(1,975)	(1,500)
Contribution deficiency (excess)	<u>\$ (3,916)</u>	<u>\$ (4,124)</u>	<u>\$ (3,381)</u>	<u>\$ (2,270)</u>	<u>\$ (1,826)</u>	<u>\$ (2,254)</u>	<u>\$ (1,975)</u>	<u>\$ (1,500)</u>
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

The Village implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 years
Asset valuation method	5-Year Smoothed Market
Inflation	2.50%
Salary increases	3.35 to 14.25% including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2017 (base year 2015)

Other Information:

There were no benefit changes during the year.

See notes to required supplementary information

Village of McCook

Police Pension Fund

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

Last Nine Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Pension Liability									
Service cost	\$ 346,266	\$ 991,098	\$ 231,031	\$ 227,715	\$ 228,340	\$ 175,862	\$ 186,854	\$ 243,093	\$ 212,259
Interest	991,098	1,229,387	1,208,828	1,299,767	1,367,832	1,397,197	1,397,649	1,515,666	1,746,323
Differences between expected and actual experience	1,133,515	(2,914,122)	719,863	291,063	(230,876)	504,202	780,112	3,089,480	638,761
Changes of assumptions	1,338,926	2,053,965	-	-	-	225,544	513,355	-	-
Benefit payments, including refunds of member contributions	(811,359)	(556,672)	(757,352)	(772,013)	(854,282)	(892,128)	(935,904)	(1,099,761)	(1,184,872)
Net change in total pension liability	2,998,446	803,656	1,402,370	1,046,532	511,014	1,410,677	1,942,066	3,748,478	1,412,471
Total Pension Liability, Beginning	<u>14,564,226</u>	<u>17,562,672</u>	<u>18,366,328</u>	<u>19,768,698</u>	<u>20,815,230</u>	<u>21,326,244</u>	<u>22,736,921</u>	<u>24,678,987</u>	<u>28,427,465</u>
Total Pension Liability, Ending (a)	<u>\$ 17,562,672</u>	<u>\$ 18,366,328</u>	<u>\$ 19,768,698</u>	<u>\$ 20,815,230</u>	<u>\$ 21,326,244</u>	<u>\$ 22,736,921</u>	<u>\$ 24,678,987</u>	<u>\$ 28,427,465</u>	<u>\$ 29,839,936</u>
Plan Fiduciary Net Position									
Employer contributions	\$ 635,000	\$ 700,000	\$ 800,000	\$ 800,000	\$ 1,500,000	\$ 1,500,000	\$ 1,000,000	\$ 1,100,000	\$ 1,200,000
Employee contributions	143,227	153,687	149,310	168,273	170,414	569,605	196,855	162,997	164,109
Net investment income	360,163	67,094	473,223	992,663	(475,301)	1,760,012	1,142,927	1,867,224	(1,697,090)
Benefit payments, including refunds of member contributions	(807,295)	(710,359)	(757,352)	(772,013)	(854,282)	(892,128)	(935,904)	(1,099,761)	(1,184,872)
Administration	(29,364)	(22,356)	(26,168)	(37,418)	(30,974)	(27,585)	(25,581)	(32,216)	(32,594)
Net change in plan fiduciary net position	301,731	188,066	639,013	1,151,505	309,857	2,909,904	1,378,297	1,998,244	(1,550,447)
Plan Fiduciary Net Position, Beginning	<u>8,174,983</u>	<u>8,476,714</u>	<u>8,664,780</u>	<u>9,303,793</u>	<u>10,455,298</u>	<u>10,765,155</u>	<u>13,675,059</u>	<u>15,053,356</u>	<u>17,051,600</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 8,476,714</u>	<u>\$ 8,664,780</u>	<u>\$ 9,303,793</u>	<u>\$ 10,455,298</u>	<u>\$ 10,765,155</u>	<u>\$ 13,675,059</u>	<u>\$ 15,053,356</u>	<u>\$ 17,051,600</u>	<u>\$ 15,501,153</u>
Village's Net Pension Liability, Ending (a) - (b)	<u>\$ 9,085,958</u>	<u>\$ 9,701,548</u>	<u>\$ 10,464,905</u>	<u>\$ 10,359,932</u>	<u>\$ 10,561,089</u>	<u>\$ 9,061,862</u>	<u>\$ 9,625,631</u>	<u>\$ 11,375,865</u>	<u>\$ 14,338,783</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.27%	47.18%	47.06%	50.23%	50.48%	60.14%	61.00%	59.98%	51.95%
Covered Payroll	\$ 1,404,521	\$ 1,528,003	\$ 1,528,003	\$ 1,692,750	\$ 1,722,960	\$ 1,599,686	\$ 1,973,647	\$ 1,500,408	\$ 1,563,410
Village's Net Pension Liability as a Percentage of Covered Payroll	646.91%	634.92%	684.87%	612.02%	612.96%	566.48%	487.71%	758.18%	917.15%

Notes to Schedule:

Changes of assumptions. For Fiscal Year 2015, the mortality, disability, turnover and retirement assumptions were revised to reflect the most recent study conducted by the Illinois Department of Insurance.

The Pension implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

See notes to required supplementary information

Village of McCook

Police Pension Fund
 Schedule of Employer Contributions
 Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially Determined Contribution	\$ 429,052	\$ 571,229	\$ 684,532	\$ 844,890	\$ 939,012	\$ 947,043	\$ 969,162	\$ 848,128	\$ 960,002	\$ 1,088,691
Contributions in Relation to the Actuarially Determined Contribution	420,000	635,000	635,000	800,000	800,000	1,500,000	1,500,000	1,000,000	1,100,000	1,200,000
Contribution Deficiency (excess)	<u>\$ 9,052</u>	<u>\$ (63,771)</u>	<u>\$ 49,532</u>	<u>\$ 44,890</u>	<u>\$ 139,012</u>	<u>\$ (552,957)</u>	<u>\$ (530,838)</u>	<u>\$ (151,872)</u>	<u>\$ (139,998)</u>	<u>\$ (111,309)</u>
Covered payroll	\$ 1,286,601	\$ 1,404,521	\$ 1,528,003	\$ 1,506,593	\$ 1,692,750	\$ 1,722,960	\$ 1,599,686	\$ 1,973,647	\$ 1,500,408	\$ 1,563,410
Contributions as a Percentage of Covered Payroll	32.64%	45.21%	41.56%	52.36%	47.26%	87.06%	93.77%	50.67%	73.31%	76.76%

Notes to Schedule:

The Plan implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

Valuation Date:

Actuarially determined contributions are calculated as of December 31 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.25%
Retirement age	50-70
Mortality	PUB-2010 Mortality Table

See notes to required supplementary information

Village of McCook

Firefighters' Pension Fund

Schedule of Changes in the Village's Net Pension Liability (Asset) and Related Ratios

Last Nine Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service cost	\$ 19,358	\$ 19,358	\$ 83,294	\$ 80,383	\$ 80,464	\$ 71,870	\$ 57,677	\$ -	\$ -
Interest	51,242	51,242	103,404	30,635	33,751	34,329	41,843	42,010	39,424
Differences between expected and actual experience	55,973	(7,820)	-	44,667	(103,291)	(99,192)	136,011	(9,784)	31,016
Changes of assumptions	695,884	(119,598)	(242,851)	-	-	(115,397)	277,167	21,238	(316,556)
Benefit payments, including refunds of member contributions	-	9,866	-	-	-	-	(22,670)	(91,359)	(95,968)
Net change in total pension liability	822,457	(46,952)	(56,153)	155,685	10,924	(108,390)	490,028	(37,895)	(342,084)
Total Pension Liability, Beginning	<u>732,029</u>	<u>1,554,486</u>	<u>1,507,534</u>	<u>1,451,381</u>	<u>1,607,066</u>	<u>1,617,990</u>	<u>1,509,600</u>	<u>1,999,628</u>	<u>1,961,733</u>
Total Pension Liability, Ending (a)	<u>\$ 1,554,486</u>	<u>\$ 1,507,534</u>	<u>\$ 1,451,381</u>	<u>\$ 1,607,066</u>	<u>\$ 1,617,990</u>	<u>\$ 1,509,600</u>	<u>\$ 1,999,628</u>	<u>\$ 1,961,733</u>	<u>\$ 1,619,649</u>
Plan Fiduciary Net Position									
Employer contributions	\$ 80,000	\$ 90,000	\$ 90,000	\$ 100,000	\$ 150,000	\$ 550,000	\$ 175,000	\$ 100,000	\$ 50,000
Employee contributions	9,578	9,866	10,157	10,456	10,766	11,083	8,414	-	-
Net investment income	651	555	(7,509)	35,090	(15,737)	69,358	46,041	29,258	(235,648)
Benefit payments, including refunds of member contributions	-	-	-	-	-	-	(22,670)	(91,359)	(95,968)
Administration	(4,606)	(4,963)	(6,595)	(5,869)	(5,935)	(9,283)	(9,867)	(6,685)	(11,143)
Net change in plan fiduciary net position	85,623	95,458	86,053	139,677	139,094	621,158	196,918	31,214	(292,759)
Plan Fiduciary Net Position, Beginning	<u>438,641</u>	<u>524,264</u>	<u>619,722</u>	<u>705,775</u>	<u>845,452</u>	<u>984,546</u>	<u>1,605,704</u>	<u>1,802,622</u>	<u>1,833,836</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 524,264</u>	<u>\$ 619,722</u>	<u>\$ 705,775</u>	<u>\$ 845,452</u>	<u>\$ 984,546</u>	<u>\$ 1,605,704</u>	<u>\$ 1,802,622</u>	<u>\$ 1,833,836</u>	<u>\$ 1,541,077</u>
Village's Net Pension Liability (Asset), Ending (a) - (b)	<u>\$ 1,030,222</u>	<u>\$ 887,812</u>	<u>\$ 745,606</u>	<u>\$ 761,614</u>	<u>\$ 633,444</u>	<u>\$ (96,104)</u>	<u>\$ 197,006</u>	<u>\$ 127,897</u>	<u>\$ 78,572</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	33.73%	41.11%	48.63%	52.61%	60.85%	106.37%	90.15%	93.48%	95.15%
Covered Payroll	\$ 101,299	\$ 104,500	\$ 104,500	\$ 113,630	\$ 113,862	\$ 117,220	\$ 88,989	\$ -	\$ -
Village's Net Pension Liability (Asset) as a Percentage of Covered Payroll	1017.01%	849.58%	713.50%	670.26%	556.33%	-81.99%	221.38%	N/A	N/A

Notes To Schedule:

Changes of assumptions. For Fiscal Year 2015, the mortality, disability, turnover and retirement assumptions were revised to reflect the most recent study conducted by the Illinois Department of Insurance.

The Pension implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

See notes to required supplementary information

Village of McCook

Firefighters' Pension Fund
 Schedule of Employer Contributions
 Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 44,408	\$ 45,213	\$ 63,530	\$ 108,940	\$ 122,834	\$ 123,627	\$ 117,946	\$ 58,917	\$ 18,791	\$ 19,912
Contributions in Relation to the Actuarially Determined Contribution	50,000	80,000	90,000	90,000	100,000	150,000	550,000	175,000	100,000	50,000
Contribution deficiency (excess)	\$ (5,592)	\$ (34,787)	\$ (26,470)	\$ 18,940	\$ 22,834	\$ (26,373)	\$ (432,054)	\$ (116,083)	\$ (81,209)	\$ (30,088)
Covered Payroll	\$ 90,049	\$ 101,299	\$ 104,500	\$ 104,350	\$ 113,630	\$ 113,862	\$ 117,220	\$ 88,989	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	55.53%	78.97%	86.12%	86.25%	88.00%	131.74%	469.20%	196.65%	N/A	N/A

Notes to Schedule:

The Plan implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

Valuation Date:

Actuarially determined contributions are calculated as of December 31 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	Market value
Inflation	1.62%
Salary increases	2.75%
Investment rate of return	2.06%
Retirement age	50-70
Mortality	PUB-2010 Mortality Table

See notes to required supplementary information

Village of McCook

Retiree Health Insurance Plan

Schedule of Changes in the Total OPEB Liability and Related Ratios and Related Ratios

Last Five Fiscal Years

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB liability					
Service cost	\$ 299,270	\$ 257,889	\$ 416,415	\$ 439,866	\$ 466,369
Interest	386,419	437,302	394,131	358,130	331,384
Changes of assumptions	(999,717)	3,279,656	1,453,839	(10,410)	(2,768,678)
Benefit payments, including refunds of member contributions	(364,202)	(398,048)	(379,348)	(424,209)	(422,514)
Other changes	152,410	381,003	178,592	(961,293)	1,260,887
Net Change in Total OPEB Liability	(525,820)	3,957,802	2,063,629	(597,916)	(1,132,552)
Total OPEB Liability, Beginning	10,933,833	10,408,013	14,365,815	16,429,444	15,831,528
Total OPEB Liability, Ending	<u>\$ 10,408,013</u>	<u>\$ 14,365,815</u>	<u>\$ 16,429,444</u>	<u>\$ 15,831,528</u>	<u>\$ 14,698,976</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	\$ 3,519,373	\$ 3,973,500	\$ 3,627,249	\$ 3,627,249	\$ 3,111,159
Village's Total OPEB Liability as a Percentage of Covered Payroll	295.73%	361.54%	452.95%	436.46%	472.46%

Notes to Schedule:

The Village implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

See independent auditors' report and accompanying notes to required supplementary information

Village of McCook

Notes to Required Supplementary Information
Year Ended December 31, 2022

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Budget amounts are as originally adopted by the Board of Trustees. All annual appropriations lapse at fiscal year end.

Prior to December 31, the Village clerk submits to the Village board a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to March 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the general fund and special revenue funds.

The Village is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the Village board. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function and department. The Village clerk is authorized to transfer budget amounts between departments within any fund; however, the Village board must approve revisions that alter the total expenditures of any fund.

SUPPLEMENTARY INFORMATION

Village of McCook

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	<u>Motor Fuel Tax</u>	<u>Joliet Road TIF</u>	<u>55th Street TIF</u>	<u>Debt Service</u>
Assets				
Cash	\$ 87,590	\$ 1,005,525	\$ 160,693	\$ 18,243
Receivables (net):				
Real estate taxes	-	216,827	-	468,648
Due from other funds	-	-	-	4,732
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,732</u>
Total assets	<u>\$ 87,590</u>	<u>\$ 1,222,352</u>	<u>\$ 160,693</u>	<u>\$ 491,623</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Deferred Inflows of Resources				
Property taxes levied for future periods	\$ -	\$ 216,814	\$ -	\$ 411,600
	<u>-</u>	<u>216,814</u>	<u>-</u>	<u>411,600</u>
Total deferred inflows of resources	<u>-</u>	<u>216,814</u>	<u>-</u>	<u>411,600</u>
Fund Balances				
Restricted for highways and streets	87,590	-	-	-
Restricted for community development	-	1,005,538	160,693	-
Restricted for debt service	-	-	-	80,023
Assigned for capital projects	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>87,590</u>	<u>1,005,538</u>	<u>160,693</u>	<u>80,023</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 87,590</u>	<u>\$ 1,222,352</u>	<u>\$ 160,693</u>	<u>\$ 491,623</u>

<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 1,212,381	\$ 2,484,432
-	685,475
-	<u>4,732</u>
<u>\$ 1,212,381</u>	<u>\$ 3,174,639</u>

<u>\$ -</u>	<u>\$ 628,414</u>
-	<u>628,414</u>
-	87,590
-	1,166,231
-	80,023
<u>1,212,381</u>	<u>1,212,381</u>
<u>1,212,381</u>	<u>2,546,225</u>
<u>\$ 1,212,381</u>	<u>\$ 3,174,639</u>

Village of McCook

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2022

	<u>Motor Fuel Tax</u>	<u>Joliet Road TIF</u>	<u>55th Street TIF</u>	<u>Debt Service</u>
Revenues				
Real estate taxes	\$ -	\$ 221,252	\$ -	\$ 402,108
Motor fuel tax	9,355	-	-	-
State grants	5,009	-	-	-
Interest	13	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>14,377</u>	<u>221,252</u>	<u>-</u>	<u>402,108</u>
Expenditures				
Current:				
TIF economic development	-	60,601	39,307	-
General government	-	-	-	-
Debt service:				
Interest and other	-	-	-	20,250
Principal retirement	-	-	-	405,000
Total expenditures	<u>-</u>	<u>60,601</u>	<u>39,307</u>	<u>425,250</u>
Excess (deficiency) of revenues over expenditures	<u>14,377</u>	<u>160,651</u>	<u>(39,307)</u>	<u>(23,142)</u>
Other Financing Sources (Uses)				
Transfers out	-	(231,385)	-	-
Transfers in	-	-	200,000	-
Total other financing sources (uses)	<u>-</u>	<u>(231,385)</u>	<u>200,000</u>	<u>-</u>
Net change in fund balances	14,377	(70,734)	160,693	(23,142)
Fund Balances, Beginning	<u>73,213</u>	<u>1,076,272</u>	<u>-</u>	<u>103,165</u>
Fund Balances, Ending	<u>\$ 87,590</u>	<u>\$ 1,005,538</u>	<u>\$ 160,693</u>	<u>\$ 80,023</u>

<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 623,360
-	9,355
-	5,009
-	13
<u>281,277</u>	<u>281,277</u>
<u>281,277</u>	<u>919,014</u>
-	99,908
349,109	349,109
-	20,250
<u>-</u>	<u>405,000</u>
<u>349,109</u>	<u>874,267</u>
<u>(67,832)</u>	<u>44,747</u>
-	(231,385)
<u>349,109</u>	<u>549,109</u>
<u>349,109</u>	<u>317,724</u>
281,277	362,471
<u>931,104</u>	<u>2,183,754</u>
<u>\$ 1,212,381</u>	<u>\$ 2,546,225</u>

Village of McCook

Schedule of Revenues, Expenditures and Changes

in Fund Balances - Budget and Actual - Motor Fuel Tax - Special Revenue Fund

Year Ended December 31, 2022

With Comparative Actual Amounts for the Year Ended December 31, 2021

	2022			2021 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
Revenues				
Motor fuel tax allotments	\$ 12,500	\$ 9,355	\$ (3,145)	\$ 8,843
State grants	-	5,009	5,009	5,009
Interest	10	13	3	13
Total revenues	<u>12,510</u>	<u>14,377</u>	<u>1,867</u>	<u>13,865</u>
Expenditures				
Current:				
Road construction	60,000	-	60,000	-
Contingency	500	-	500	-
Total expenditures	<u>60,500</u>	<u>-</u>	<u>60,500</u>	<u>-</u>
Net change in fund balance	<u>\$ (47,990)</u>	14,377	<u>\$ 62,367</u>	13,865
Fund Balance, Beginning		<u>73,213</u>		<u>59,348</u>
Fund Balance, Ending		<u>\$ 87,590</u>		<u>\$ 73,213</u>

Village of McCook

Schedule of Revenues, Expenditures and Changes

in Fund Balances - Budget and Actual - Joliet Road TIF - Special Revenue Fund

Year Ended December 31, 2022

With Comparative Actual Amounts for the Year Ended December 31, 2021

	2022			2021 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
Revenues				
Real estate	\$ 325,000	\$ 221,252	\$ (103,748)	\$ 331,742
Total revenues	<u>325,000</u>	<u>221,252</u>	<u>(103,748)</u>	<u>331,742</u>
Expenditures				
Current:				
TIF economic development	350,000	38,823	311,177	73,321
Professional services	<u>36,100</u>	<u>21,778</u>	<u>14,322</u>	<u>9,799</u>
Total expenditures	<u>386,100</u>	<u>60,601</u>	<u>325,499</u>	<u>83,120</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,100)</u>	<u>160,651</u>	<u>221,751</u>	<u>248,622</u>
Other Financing Sources (Uses)				
Transfers out	-	(231,385)	(231,385)	(28,531)
Total other financing sources (uses)	<u>-</u>	<u>(231,385)</u>	<u>(231,385)</u>	<u>(28,531)</u>
Net change in fund balance	\$ <u>(61,100)</u>	(70,734)	\$ <u>(9,634)</u>	220,091
Fund Balance, Beginning		<u>1,076,272</u>		<u>856,181</u>
Fund Balance, Ending		<u>\$ 1,005,538</u>		<u>\$ 1,076,272</u>

Village of McCook

Schedule of Revenues, Expenditures and Changes

in Fund Balances - Budget and Actual - 55th Street TIF - Special Revenue Fund

Year Ended December 31, 2022

With Comparative Actual Amounts for the Year Ended December 31, 2021

	2022			2021 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
Revenues				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current:				
Professional services	-	39,307	(39,307)	-
Total expenditures	-	39,307	(39,307)	-
Excess (deficiency) of revenues over (under) expenditures	-	(39,307)	(39,307)	-
Other Financing Sources (Uses)				
Transfers in	-	200,000	200,000	-
Total other financing sources (uses)	-	200,000	200,000	-
Net change in fund balance	\$ -	160,693	\$ 160,693	-
Fund Balance, Beginning		-		-
Fund Balance, Ending		\$ 160,693		\$ -

Village of McCook

Schedule of Revenues, Expenditures and Changes

in Fund Balances - Budget and Actual - Debt Service Fund

Year Ended December 31, 2022

With Comparative Actual Amounts for the Year Ended December 31, 2021

	2022			2021
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Revenues				
Real estate	\$ 420,000	\$ 402,108	\$ (17,892)	\$ 441,014
Total revenues	<u>420,000</u>	<u>402,108</u>	<u>(17,892)</u>	<u>441,014</u>
Expenditures				
Debt service:				
Principal retirement	405,000	405,000	-	390,000
Interest and other	<u>30,250</u>	<u>20,250</u>	<u>10,000</u>	<u>50,700</u>
Total expenditures	<u>435,250</u>	<u>425,250</u>	<u>10,000</u>	<u>440,700</u>
Net change in fund balance	<u>\$ (15,250)</u>	(23,142)	<u>\$ (7,892)</u>	314
Fund Balance, Beginning		<u>103,165</u>		<u>102,851</u>
Fund Balance, Ending		<u>\$ 80,023</u>		<u>\$ 103,165</u>

Village of McCook

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Capital Projects Fund
Year Ended December 31, 2022

With Comparative Actual Amounts for the Year Ended December 31, 2021

	2022			2021 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
Revenues				
Miscellaneous	\$ -	\$ 281,277	\$ 281,277	\$ 115,874
Total revenues	<u>-</u>	<u>281,277</u>	<u>281,277</u>	<u>115,874</u>
Expenditures				
Current:				
General government	1,550,000	349,109	1,200,891	140,007
Total current	<u>1,550,000</u>	<u>349,109</u>	<u>1,200,891</u>	<u>140,007</u>
Total expenditures	<u>1,550,000</u>	<u>349,109</u>	<u>1,200,891</u>	<u>140,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,550,000)</u>	<u>(67,832)</u>	<u>1,482,168</u>	<u>(24,133)</u>
Other Financing Sources (Uses)				
Transfers in	-	349,109	349,109	-
Total other financing sources (uses)	<u>-</u>	<u>349,109</u>	<u>349,109</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,550,000)</u>	281,277	<u>\$ 1,831,277</u>	(24,133)
Fund Balance, Beginning		<u>931,104</u>		<u>955,237</u>
Fund Balance, Ending		<u>\$ 1,212,381</u>		<u>\$ 931,104</u>

Village of McCook

Combining Statement of Fiduciary Net Position

Pension Trust Funds

December 31, 2022

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 860,880	\$ 96,268	\$ 957,148
Investments, certificates of deposits with banks	-	198,083	198,083
Investments, other, at fair value	<u>14,640,273</u>	<u>1,246,726</u>	<u>15,886,999</u>
Total assets	<u>15,501,153</u>	<u>1,541,077</u>	<u>17,042,230</u>
Net Position			
Net position restricted for pensions	<u>\$ 15,501,153</u>	<u>\$ 1,541,077</u>	<u>\$ 17,042,230</u>

Village of McCook

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended December 31, 2022

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Additions			
Contributions:			
Employee contributions	\$ 164,109	\$ -	\$ 164,109
Employer contributions	<u>1,200,000</u>	<u>50,000</u>	<u>1,250,000</u>
Total contributions	<u>1,364,109</u>	<u>50,000</u>	<u>1,414,109</u>
Investment income:			
Bank deposits	2,686	1,094	3,780
Government securities	30	(116,744)	(116,714)
Insurance contracts	13,129	-	13,129
Net appreciation (depreciation) in fair value of investments	139,605	(115,007)	24,598
Mutual funds	<u>(1,832,088)</u>	<u>-</u>	<u>(1,832,088)</u>
Total Investment income (loss)	(1,676,638)	(230,657)	(1,907,295)
Less investment management fees	<u>(20,452)</u>	<u>(4,991)</u>	<u>(25,443)</u>
Net investment income	<u>(1,697,090)</u>	<u>(235,648)</u>	<u>(1,932,738)</u>
Total additions	<u>(332,981)</u>	<u>(185,648)</u>	<u>(518,629)</u>
Deductions			
Payments to participants	1,035,285	95,968	1,131,253
Payments to beneficiaries	149,587	-	149,587
Administration	<u>32,594</u>	<u>11,143</u>	<u>43,737</u>
Total deductions	<u>1,217,466</u>	<u>107,111</u>	<u>1,324,577</u>
Change in net position	(1,550,447)	(292,759)	(1,843,206)
Net Position, Beginning	<u>17,051,600</u>	<u>1,833,836</u>	<u>18,885,436</u>
Net Position, Ending	<u>\$ 15,501,153</u>	<u>\$ 1,541,077</u>	<u>\$ 17,042,230</u>

Village of McCook

Combining Balance Sheet

General Fund

December 31, 2022

	Corporate Fund	Stabilization Fund	Total
Assets			
Cash and cash equivalents	\$ 15,024,327	\$ 500,000	\$ 15,524,327
Investments	120,326	-	120,326
Receivables (net):			
Real estate taxes	4,305,926	-	4,305,926
Other	381,482	-	381,482
Restricted cash and investments	369,640	-	369,640
Prepaid items	144,269	-	144,269
Due from other funds	376,000	-	376,000
Due from other governments	947,375	-	947,375
Advances to other funds	1,100,000	-	1,100,000
	<u>22,769,345</u>	<u>500,000</u>	<u>23,269,345</u>
Total assets			
Liabilities			
Accounts payable	164,551	-	164,551
Accrued salaries	94,296	-	94,296
Payroll liabilities	-	-	-
Unearned revenue	13,917	-	13,917
Due to other funds	4,732	-	4,732
	<u>277,496</u>	<u>-</u>	<u>277,496</u>
Total liabilities			
Deferred Inflows Of Resources			
Property taxes levied for receipt in future periods	3,779,174	-	3,779,174
Unavailable local revenue	607,111	-	607,111
	<u>4,386,285</u>	<u>-</u>	<u>4,386,285</u>
Total deferred inflows of resources			
Fund Balances			
Nonspendable for prepaids	144,269	-	144,269
Nonspendable for advance receivable	1,100,000	-	1,100,000
Restricted for public safety	369,640	-	369,640
Assigned for stabilization funds	-	500,000	500,000
Unassigned	16,491,655	-	16,491,655
	<u>\$ 18,105,564</u>	<u>\$ 500,000</u>	<u>\$ 18,605,564</u>
Total fund balance			

Village of McCook

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance

General Fund

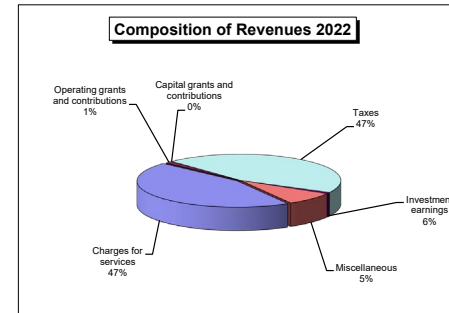
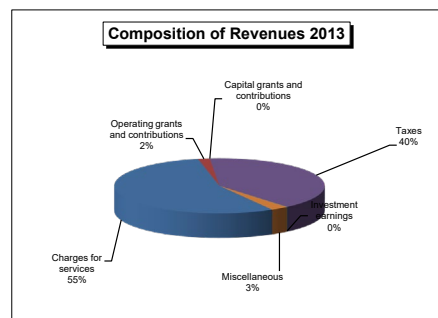
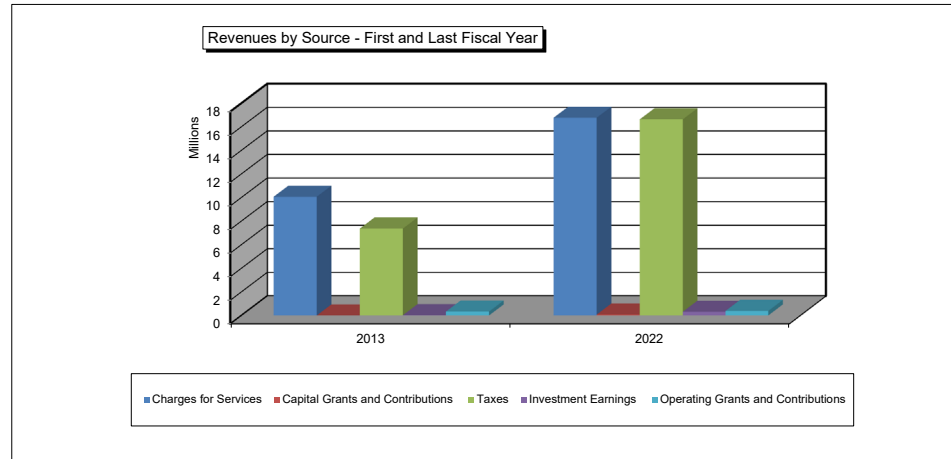
Year Ended December 31, 2022

	<u>Corporate Fund</u>	<u>Stabilization Fund</u>	<u>Total</u>
Revenues			
Taxes	\$ 7,103,739	\$ -	\$ 7,103,739
Intergovernmental	2,285,982	-	2,285,982
Licenses, permits and fees	1,921,596	-	1,921,596
Fines and police reports	510,595	-	510,595
Interest earned	259,139	-	259,139
Miscellaneous	2,523,885	-	2,523,885
Total revenues	<u>14,604,936</u>	<u>-</u>	<u>14,604,936</u>
Expenditures			
General government	2,104,438	-	2,104,438
Public safety	5,310,316	-	5,310,316
Public works	370,434	-	370,434
Capital outlay	1,878,606	-	1,878,606
Total expenditures	<u>9,663,794</u>	<u>-</u>	<u>9,663,794</u>
Excess (deficiency) of revenues over expenditures	<u>4,941,142</u>	<u>-</u>	<u>4,941,142</u>
Transfers			
Transfers in	<u>1,049,628</u>	<u>-</u>	<u>1,049,628</u>
Total transfers	<u>700,519</u>	<u>-</u>	<u>700,519</u>
Net change in fund balance	<u>5,641,661</u>	<u>-</u>	<u>5,641,661</u>
Fund Balances, Beginning	<u>12,463,903</u>	<u>500,000</u>	<u>12,963,903</u>
Fund Balances, Ending	<u>\$ 18,105,564</u>	<u>\$ 500,000</u>	<u>\$ 18,605,564</u>

Village of McCook

Government-Wide Revenues by Type
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program Revenues										
Charges for services	\$ 10,059,401	\$ 11,097,805	\$ 11,879,222	\$ 12,026,243	\$ 11,902,086	\$ 11,113,647	\$ 13,422,324	\$ 13,093,077	\$ 15,055,826	\$ 16,766,236
Operating grants and contributions	329,951	415,609	310,906	355,379	216,201	308,270	322,144	188,547	171,703	386,865
Capital grants and contributions	-	-	-	-	-	130,000	430,921	79,021	45,654	76,041
Total program revenues	10,389,352	11,513,414	12,190,128	12,381,622	12,118,287	11,551,917	14,175,389	13,360,645	15,273,183	17,229,142
General Revenues										
Taxes	7,364,283	8,538,332	11,008,376	11,561,323	13,237,161	13,986,391	13,991,673	12,911,951	16,196,035	16,628,884
Investment earnings	21,656	14,201	15,167	36,411	94,952	206,361	216,020	79,674	19,124	314,673
Miscellaneous	494,985	193,114	313,659	1,064,208	346,819	1,501,785	319,934	1,465,230	1,649,636	3,027,684
Total general revenues	7,880,924	8,745,647	11,337,202	12,661,942	13,678,932	15,694,537	14,527,627	14,456,855	17,864,795	19,971,241
Total revenues	\$ 18,270,276	\$ 20,259,061	\$ 23,527,330	\$ 25,043,564	\$ 25,797,219	\$ 27,246,454	\$ 28,703,016	\$ 27,817,500	\$ 33,137,978	\$ 37,200,383

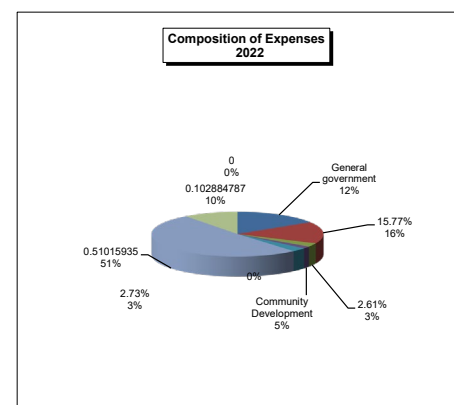
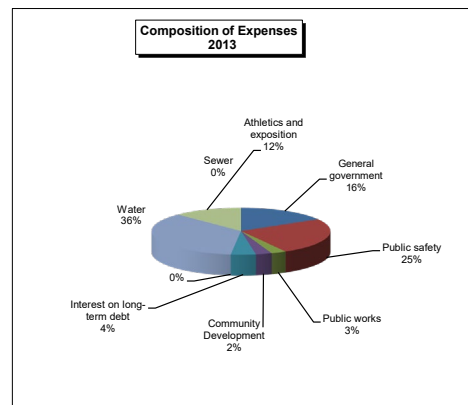
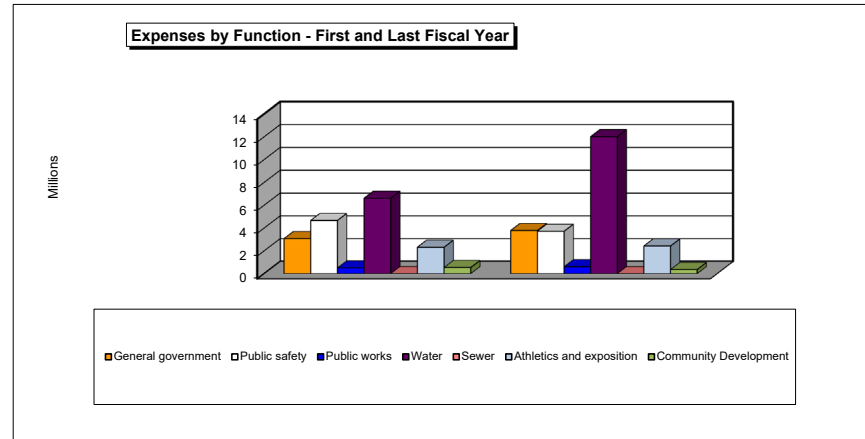


SOURCE OF INFORMATION: 2013-2022 financial statements

Village of McCook

Government-Wide Expenses by Function
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
General government	\$ 3,070,744	\$ 2,926,594	\$ 2,782,855	\$ 2,941,363	\$ 3,217,365	\$ 2,589,232	\$ 3,040,482	\$ 2,873,446	\$ 2,635,936	\$ 3,782,659
Public safety	4,662,071	4,586,882	5,268,905	4,882,341	5,093,401	6,242,448	6,199,333	6,392,383	5,176,801	3,714,859
Public works	506,983	819,142	709,709	498,191	556,285	484,657	478,762	430,752	648,063	614,445
Community development	538,221	114,974	29,544	1,545,961	822,395	2,823,004	1,236,329	1,016,834	591,561	359,063
Interest on long-term debt	834,768	843,921	813,330	1,578,404	833,170	854,974	815,825	783,644	718,295	643,967
Total governmental activities	9,612,787	9,291,513	9,604,343	11,446,260	10,522,616	12,994,315	11,770,731	11,497,059	9,770,656	9,114,993
Business-Type Activities										
Water	6,614,338	7,211,329	8,400,241	8,710,633	8,475,983	8,873,435	10,404,954	10,846,938	11,413,812	12,017,130
Sewer	2,498	2,200	-	-	-	-	-	-	-	-
Athletics and exposition	2,317,070	2,247,677	2,292,074	2,494,995	2,580,521	2,885,708	3,479,053	2,575,490	2,368,847	2,423,517
Total business-type activities	8,933,906	9,461,206	10,692,315	11,205,628	11,056,504	11,759,143	13,884,007	13,422,428	13,782,659	14,440,647
Total expenses	\$ 18,546,693	\$ 18,752,719	\$ 20,296,658	\$ 22,651,888	\$ 21,579,120	\$ 24,753,458	\$ 25,654,738	\$ 24,919,487	\$ 23,553,315	\$ 23,555,640



SOURCE OF INFORMATION: 2013-2022 Financial Statements

Village of McCook

Governmental Funds Revenues by Source *

Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Local Sources										
Taxes	\$ 14,696,441	\$ 15,164,436	\$ 12,440,060	\$ 13,880,831	\$ 13,933,901	\$ 13,243,335	\$ 11,525,501	\$ 11,039,693	\$ 8,354,216	\$ 7,364,283
Intergovernmental	2,300,346	1,176,313	1,024,022	452,144	308,270	216,201	355,379	310,906	415,609	329,951
Licenses, permits, and fees	1,921,596	508,090	481,226	408,404	488,474	533,468	514,736	522,449	850,104	747,414
Fines and police reports	510,595	528,990	165,762	168,910	206,795	221,773	204,439	163,063	233,332	196,084
Interest earned	278,574	10,972	78,530	216,020	194,670	88,556	35,803	14,734	13,314	20,478
Miscellaneous	3,279,162	1,456,925	752,309	373,783	1,520,430	361,175	1,075,201	261,782	188,280	488,541
Total local sources	<u>\$ 22,986,714</u>	<u>\$ 18,845,726</u>	<u>\$ 14,941,909</u>	<u>\$ 15,500,092</u>	<u>\$ 16,652,540</u>	<u>\$ 14,664,508</u>	<u>\$ 13,711,059</u>	<u>\$ 12,312,627</u>	<u>\$ 10,054,855</u>	<u>\$ 9,146,751</u>

* - Includes revenues for all Governmental Fund Types.

Source of information: 2013-2022 annual financial statements.

Village of McCook

Governmental Funds Expenditures by Function*

Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Current Operating										
General government	\$ 2,467,672	\$ 2,463,936	\$ 2,622,662	\$ 3,021,095	\$ 2,830,688	\$ 3,412,851	\$ 3,417,553	\$ 3,007,771	\$ 3,070,914	\$ 3,188,696
Public safety	7,109,641	5,192,712	5,625,650	6,755,786	5,571,016	4,523,640	4,192,542	4,230,039	4,301,662	4,159,840
Public works	435,590	554,149	406,102	541,175	899,672	404,345	323,955	560,496	669,016	714,672
Community development	369,312	618,300	1,023,384	1,563,284	3,104,121	830,224	2,065,286	29,544	124,540	1,991,335
Debt service	3,262,219	2,980,604	3,026,955	2,010,265	2,163,653	2,077,045	17,453,836	2,182,330	3,216,725	3,627,284
Total	<u>\$ 13,644,434</u>	<u>\$ 11,809,701</u>	<u>\$ 12,704,753</u>	<u>\$ 13,891,605</u>	<u>\$ 14,569,150</u>	<u>\$ 11,248,105</u>	<u>\$ 27,453,172</u>	<u>\$ 10,010,180</u>	<u>\$ 11,382,857</u>	<u>\$ 13,681,827</u>

* - Includes expenditures for all Governmental Fund Types.

Source of Information: 2013-2022 Annual Financial Statements.

Village of McCookProperty Tax Rates, Levies and Collections
Last Ten Tax Levy Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Rates Extended*										
Corporate	\$ 3.4186	\$ 3.0319	\$ 3.9007	\$ 3.9105	\$ 3.8130	\$ 4.3431	\$ 4.3899	\$ 2.8827	\$ 2.7370	\$ 2.4892
Bond and Interest	0.3723	0.3424	0.4327	0.4344	0.4187	0.4690	0.4760	0.9373	0.8217	0.3249
Total rates extended	<u>3.7909</u>	<u>3.3743</u>	<u>4.3334</u>	<u>4.3449</u>	<u>4.2317</u>	<u>4.8121</u>	<u>4.8659</u>	<u>3.8200</u>	<u>3.5587</u>	<u>2.8141</u>
Levies Extended										
Total levies extended	<u>\$ 4,276,321</u>	<u>\$ 4,292,653</u>	<u>\$ 4,372,158</u>	<u>\$ 4,372,270</u>	<u>\$ 4,367,355</u>	<u>\$ 4,360,721</u>	<u>\$ 4,361,788</u>	<u>\$ 3,472,844</u>	<u>\$ 3,248,357</u>	<u>\$ 2,728,660</u>
Total collections^	<u>\$ 4,157,319</u>	<u>\$ 4,267,247</u>	<u>\$ 4,294,697</u>	<u>\$ 4,297,901</u>	<u>\$ 4,219,055</u>	<u>\$ 4,213,438</u>	<u>\$ 4,279,527</u>	<u>\$ 3,519,899</u>	<u>\$ 3,137,689</u>	<u>\$ 2,612,682</u>
Percentage of:										
Extensions collected	<u>97.22%</u>	<u>99.41%</u>	<u>98.23%</u>	<u>98.30%</u>	<u>96.60%</u>	<u>96.62%</u>	<u>98.11%</u>	<u>101.35%</u>	<u>96.59%</u>	<u>95.75%</u>

* Tax rates are expressed in dollars per \$100 of Assessed Valuation.

^ Net of prior year refunds.

Source of Information: Cook County Levy, Rate and Extension
Reports for 2012 To 2021.

Village of McCook

Ratio of Net General Bonded Debt to Assessed
Valuation and Net General Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year Ended 12/31/2022	Tax Levy Year	Gross General Bonded Debt	Reserved for Retirement of Funded Debt	Debt Payable From Enterprise Revenues	Net General Bonded Debt	Equalized Assessed Valuation	Percentage Net of General Bonded Debt to Assessed Valuation	Estimated Population	Net General Bonded Debt Per Capita
2022	2021	\$ 25,580,000	\$ 80,023	\$ 10,455,000	15,125,000	\$ 112,801,932	13.41	249	60,743
2021	2020	28,745,000	103,165	11,155,000	17,590,000	127,189,731	13.83	249	70,643
2020	2019	31,510,000	102,851	11,830,000	19,680,000	100,880,427	19.51	221	89,050
2019	2018	34,230,000	64,358	12,480,000	21,750,000	100,627,607	21.61	228	95,395
2018	2017	34,755,000	50,386	11,985,000	22,770,000	103,198,383	22.06	228	99,868
2017	2016	36,386,000	43,508	12,485,000	23,901,000	90,602,972	26.38	228	104,829
2016	2015	37,911,000	31,231	12,935,000	24,976,000	89,638,065	27.86	228	109,544
2015	2014	38,438,000	714,058	13,335,000	25,103,000	90,911,727	27.61	228	110,101
2014	2013	40,157,000	201,645	13,685,000	26,472,000	91,278,279	29.00	228	116,105
2013	2012	42,075,434	201,645	14,000,000	28,075,434	96,966,478	28.95	228	123,138

Notes: Population estimates are based on information received from the bureau of the census and local city and village governmental data.

Source of information: 2013-2022 annual financial statements.

Village of McCook

Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures
Last Ten Fiscal Years

Year Ended December 31	Total Governmental Expenditures (1)	Total Debt Service	Percentage of Annual Debt Service Fund Expenditures To Total General Expenditures
2022	\$ 13,644,434	\$ 3,262,219	23.91%
2021	11,809,701	2,980,604	25.24%
2020	12,704,753	3,026,955	23.83%
2019	13,891,605	2,010,265	14.47%
2018	14,569,149	2,163,653	14.85%
2017	11,248,105	2,077,045	18.47%
2016	27,453,172	17,453,836 (2)	63.58%
2015	10,010,180	2,191,302	21.89%
2014	11,382,857	3,216,725	28.26%
2013	13,681,827	3,627,284	26.51%

Notes: (1) includes expenditures of all governmental funds.

(2) the total debt service expenditures for 2016 includes \$14,465,000 of refunding bond proceeds placed in escrow to currently refund debt.

Source of Information: 2013-2022 Annual Financial Statements.

Village of McCook

Schedule of Bonds Outstanding

Issue Dated June 21, 2012

December 31, 2022

Year Ended December 31	Tax Increment Financing Bonds - 1st Avenue TIF 2012 Series				Total Debt Service
	Bonds Issued	Bonds Paid	Bonds Outstanding	Interest Payable	
2012	\$ -	\$ -	\$ -	\$ -	\$ -
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	100,000	100,000	-	-	-
2016	1,055,000	1,055,000	-	-	-
2017	590,000	590,000	-	-	-
2018	625,000	625,000	-	-	-
2019	665,000	665,000	-	-	-
2020	705,000	705,000	-	-	-
2021	745,000	745,000	-	-	-
2022	790,000	790,000	-	-	-
2023	840,000	-	840,000	162,540	1,002,540
2024	890,000	-	890,000	133,644	1,023,644
2025	940,000	-	940,000	103,028	1,043,028
2026	1,000,000	-	1,000,000	70,692	1,070,692
2027	1,055,000	-	1,055,000	36,292	1,091,292
Total	<u>\$ 10,000,000</u>	<u>\$ 5,275,000</u>	<u>\$ 4,725,000</u>	<u>\$ 506,196</u>	<u>\$ 5,231,196</u>

Paying agent: Village with direct pay to BMO Harris

Principal payment date: December 1

Interest payment dates: 15th of every Month

Interest rates: 3.46%

Original amount of issue: \$ 10,000,000

Village of McCook

Schedule of Bonds Outstanding

Issue Dated December 8, 2016

December 31, 2022

Year Ended December 31	General Obligation Bonds, Series 2016A				Total Debt Service
	Bonds Issued	Bonds Paid	Bonds Outstanding	Interest Payable	
2017	\$ 325,000	\$ 325,000	\$ -	\$ -	\$ -
2018	340,000	340,000	-	-	-
2019	355,000	355,000	-	-	-
2020	365,000	365,000	-	-	-
2021	1,345,000	1,345,000	-	-	-
2022	1,675,000	1,675,000	-	-	-
2023	1,375,000	-	1,375,000	221,250	1,596,250
2024	1,475,000	-	1,475,000	152,500	1,627,500
2025	1,575,000	-	1,575,000	78,750	1,653,750
Total	<u>\$ 8,830,000</u>	<u>\$ 4,405,000</u>	<u>\$ 4,425,000</u>	<u>\$ 452,500</u>	<u>\$ 4,877,500</u>

Paying agent:

Village through Depository Trust Company

Principal payment date:

December 1

Interest payment dates:

June 1 and December 1

Interest rates:

1.55% - 3.45%

Original amount of issue:

\$ 8,830,000

Village of McCook

Schedule of Bonds Outstanding
Issue Dated December 29, 2016
December 31, 2022

Year Ended December 31	General Obligation Bonds, Series 2016B				Total Debt Service
	Bonds Issued	Bonds Paid	Bonds Outstanding	Interest Payable	
2017	\$ -	\$ -	\$ -	\$ -	\$ -
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	298,750	298,750
2024	-	-	-	298,750	298,750
2025	-	-	-	298,750	298,750
2026	1,900,000	-	1,900,000	298,750	2,198,750
2027	2,000,000	-	2,000,000	203,750	2,203,750
2028	2,075,000	-	2,075,000	103,750	2,178,750
Total	<u>\$ 5,975,000</u>	<u>\$ -</u>	<u>\$ 5,975,000</u>	<u>\$ 1,502,500</u>	<u>\$ 7,477,500</u>

Paying agent: Village through Depository Trust Company
Principal payment date: December 1
Interest payment dates: June 1 and December 1
Interest rates: 3.75% - 3.90%
Original amount of issue: \$ 5,975,000

Village of McCook

Schedule of Bonds Outstanding

Issue Dated April 17, 2019

December 31, 2022

Year Ended December 31	General Obligation Bonds, Series 2019				Total Debt Service
	Bonds Issued	Bonds Paid	Bonds Outstanding	Interest Payable	
2019	\$ 525,000	\$ 525,000	\$ -	\$ -	\$ -
2020	650,000	650,000	-	-	-
2021	675,000	675,000	-	-	-
2022	700,000	700,000	-	-	-
2023	730,000	-	730,000	387,200	1,117,200
2024	760,000	-	760,000	362,800	1,122,800
2025	790,000	-	790,000	337,200	1,127,200
2026	820,000	-	820,000	310,600	1,130,600
2027	855,000	-	855,000	283,000	1,138,000
2028	885,000	-	885,000	254,200	1,139,200
2029	775,000	-	775,000	224,600	999,600
2030	805,000	-	805,000	193,600	998,600
2031	835,000	-	835,000	161,400	996,400
2032	870,000	-	870,000	128,000	998,000
2033	905,000	-	905,000	93,200	998,200
2034	940,000	-	940,000	57,000	997,000
2035	485,000	-	485,000	19,400	504,400
Total	<u>\$ 13,005,000</u>	<u>\$ 2,550,000</u>	<u>\$ 10,455,000</u>	<u>\$ 2,812,200</u>	<u>\$ 13,267,200</u>

Paying agent:

Village through Depository Trust Company

Principal payment date:

December 1

Interest payment dates:

June 1 and December 1

Interest rates:

4.00%

Original amount of issue:

\$ 13,005,000

Village of McCook

Detailed Overlapping Bonded Debt

Direct Debt:			<u>\$ 25,580,000</u>
Overlapping Debt:			
Cook County	\$ 2,251,061,750	0.06%	\$ 1,350,637
Cook County Forest Preserve	98,005,000	0.06%	58,803
Metropolitan Water Reclamation District	3,009,965	0.07%	2,107
Lyons Township	741,751	2.54%	18,840
School District 103	5,853,196	14.73%	862,176
School District 105	17,390,000	6.34%	1,102,526
High School District 201	55,064,985	1.62%	892,053
High School District 204	2,605,000	2.31%	60,176
DuPage Community College District 502	123,615,000	16.00%	19,778,400
Morton Community College District 527	7,526,708	1.62%	121,933
McCook Park District	531,000	100.00%	<u>531,000</u>
Total Overlapping Bonded Debt			<u>\$ 30,946,624</u>
Total Direct and Overlapping Debt			<u>\$ 56,526,624</u>

Village of McCook

Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years
December 31, 2022

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Village Direct Rates										
Corporate	\$ 2.4892	\$ 2.7370	\$ 2.8827	\$ 4.3899	\$ 4.3431	\$ 3.8130	\$ 3.9105	\$ 3.9007	\$ 3.0319	\$ 3.4186
Bond and Interest	0.3249	0.8217	0.9373	0.4760	0.4690	0.4187	0.4344	0.4327	0.3424	0.3723
Total Direct Rates	2.814	3.559	3.820	4.866	4.812	4.232	4.345	4.334	3.375	3.791
Overlapping Rates										
Cook County	0.531	0.560	0.568	0.552	0.533	0.496	0.489	0.454	0.453	0.446
Consolidated Elections	0.000	0.031	0.000	0.034	0.000	0.031	0.000	0.030	0.000	0.019
Cook County Forest Preserve	0.063	0.069	0.069	0.069	0.063	0.062	0.060	0.059	0.058	0.058
Lyons Township	0.063	0.068	0.068	0.070	0.067	0.063	0.065	0.060	0.040	0.043
Lyons General Assistance	0.003	0.003	0.003	0.003	0.003	0.000	0.002	0.004	0.003	0.005
Lyons Road and Bridge	0.044	0.048	0.048	0.049	0.047	0.040	0.041	0.041	0.036	0.039
Lyons Mental Health	0.103	0.112	0.112	0.115	0.110	0.090	0.093	0.093	0.080	0.087
McCook Public Library District	0.525	0.581	0.593	0.608	0.617	0.560	0.598	0.616	0.510	0.595
McCook Park District	0.519	0.560	0.572	0.589	0.606	0.549	0.572	0.583	0.488	0.567
School District 103	4.856	5.293	5.418	5.924	5.796	5.062	5.416	5.550	4.474	4.563
High School District 204	2.129	2.312	2.324	2.324	2.359	2.001	2.125	2.181	1.962	2.184
DuPage Community College District 502	0.276	0.323	0.320	0.311	0.313	0.258	0.265	0.244	0.227	0.252
Metropolitan Water Reclamation District	0.370	0.417	0.430	0.426	0.406	0.402	0.396	0.389	0.378	0.382
Des Plaines Valley Mosquito Abatement District	0.015	0.016	0.016	0.017	0.017	0.015	0.015	0.014	0.012	0.014
Total Direct and Overlapping Rates	<u>\$ 12.311</u>	<u>\$ 13.952</u>	<u>\$ 14.361</u>	<u>\$ 15.957</u>	<u>\$ 15.749</u>	<u>\$ 13.861</u>	<u>\$ 14.482</u>	<u>\$ 14.652</u>	<u>\$ 12.096</u>	<u>\$ 13.045</u>
Village of McCook Percent Total	22.86%	25.51%	26.60%	30.49%	30.55%	30.53%	30.00%	29.58%	27.90%	29.06%

Data Source: Office of the County Clerk

Note: Rates are per \$100 of Assessed Value

Village of McCook

Bond Maturity Schedule

Levy Year	Collect Year	Series 2012	Series 2016A	Series 2016B	Series 2019	Total	Cumulative	
							Amount	Percent
2022	2023	\$ 840,000	\$ 1,375,000	\$ -	\$ 730,000	\$ 2,945,000	\$ 2,945,000	11.51%
2023	2024	890,000	1,475,000	-	760,000	3,125,000	6,070,000	23.73%
2024	2025	940,000	1,575,000	-	790,000	3,305,000	9,375,000	36.65%
2025	2026	1,000,000	-	1,900,000	820,000	3,720,000	13,095,000	51.19%
2026	2027	1,055,000	-	2,000,000	855,000	3,910,000	17,005,000	66.48%
2027	2028	-	-	2,075,000	885,000	2,960,000	19,965,000	78.05%
2028	2029	-	-	-	775,000	775,000	20,740,000	81.08%
2029	2030	-	-	-	805,000	805,000	21,545,000	84.23%
2030	2031	-	-	-	835,000	835,000	22,380,000	87.49%
2031	2032	-	-	-	870,000	870,000	23,250,000	90.89%
2032	2033	-	-	-	905,000	905,000	24,155,000	94.43%
2033	2034	-	-	-	940,000	940,000	25,095,000	98.10%
2034	2035	-	-	-	485,000	485,000	\$ 25,580,000	100.00%
		<u>\$ 4,725,000</u>	<u>\$ 4,425,000</u>	<u>\$ 5,975,000</u>	<u>\$ 10,455,000</u>	<u>\$ 25,580,000</u>		

Village of McCook

Schedule of Indebtedness

	<u>Amount</u>	<u>Percent of 2020 EAV</u>	<u>Percent of Fair Value</u>	<u>Per Capita (1)</u>
Total equalized assessed valuation (2021 EAV) (2)	<u>\$ 168,581,925</u>	<u>100.00%</u>	<u>33.33%</u>	<u>\$ 702,425</u>
Projected fair market value	<u>\$ 505,745,775</u>	<u>300.00%</u>	<u>100.00%</u>	<u>\$ 2,107,274</u>
Direct debt	25,580,000	15.17%	5.06%	106,583
Overlapping debt	<u>30,946,624</u>	<u>18.36%</u>	<u>6.12%</u>	<u>128,944</u>
Total direct and overlapping debt	<u>\$ 56,526,624</u>	<u>33.53%</u>	<u>11.18%</u>	<u>\$ 235,528</u>

(1) Based on population of 240

(2) 2021 EAV before reductions of Exemptions and tax increment finance districts.

Village of McCook

General Obligation Debt Service Summary

December 31, 2022

Levy Year	Payment Year	Series 2012	Series 2016A	Series 2016B	Series 2019	Total	Self Supporting Debt		Tax Supported Debt Service
							MAX and Water	TIF District	
2022	2023	\$ 1,003,485	\$ 1,596,250	\$ 298,750	\$ 1,148,200	\$ 4,046,685	\$ (1,148,200)	\$ (2,898,485)	-
2023	2024	1,024,421	1,627,500	298,750	1,149,000	4,099,671	(1,149,000)	(2,950,671)	-
2024	2025	1,043,627	1,653,750	298,750	1,148,600	4,144,727	(1,148,600)	(2,996,127)	-
2025	2026	1,071,103	-	2,198,750	1,147,000	4,416,853	(1,147,000)	(3,269,853)	-
2026	2027	1,091,503	-	2,203,750	1,149,200	4,444,453	(1,149,200)	(3,295,253)	-
2027	2028	-	-	2,178,750	1,145,000	3,323,750	(1,145,000)	(2,178,750)	-
2028	2029	-	-	-	999,600	999,600	(999,600)	-	-
2029	2030	-	-	-	998,600	998,600	(998,600)	-	-
2030	2031	-	-	-	996,400	996,400	(996,400)	-	-
2031	2032	-	-	-	998,000	998,000	(998,000)	-	-
2032	2033	-	-	-	998,200	998,200	(998,200)	-	-
2033	2034	-	-	-	997,000	997,000	(997,000)	-	-
2034	2035	-	-	-	504,400	504,400	(504,400)	-	-
		<u>\$ 5,234,139</u>	<u>\$ 4,877,500</u>	<u>\$ 7,477,500</u>	<u>\$ 13,379,200</u>	<u>\$ 30,968,339</u>	<u>\$ (13,379,200)</u>	<u>\$ (17,589,139)</u>	<u>\$ -</u>

Village of McCook

Equalized Valuation and Estimated Market Value of Taxable Property - Last Ten Fiscal Years
December 31, 2022

Fiscal Year Ended Dec. 31	Tax Levy Year	Residential Property	Railroad Property	Commercial Property	Industrial Property	Total Equalized Assessed Valuation (1)	Less: Homeowners Exemptions	Less: Tax Increment	Equalized Assessed Valuation for Taxation (2)	Total Estimated Market Value (4)
2013	2012	\$ 10,531,843	\$ 1,398,631	\$ 3,042,638	\$ 102,804,159	\$ 117,777,271	\$ (788,385)	\$ (20,022,408)	\$ 96,966,478	\$ 353,331,813
2014	2013	9,390,557	1,440,310	2,865,944	98,702,218	112,399,029	(721,123)	(20,399,627)	91,278,279	337,197,087
2015	2014	9,316,251	1,453,968	5,187,014	105,961,344	121,918,577	(700,992)	(30,305,858)	90,911,727	365,755,731
2016	2015	8,287,211	1,565,297	5,537,212	105,026,900	120,416,620	(671,518)	(30,107,037)	89,638,065	361,249,860
2017	2016	8,282,674	1,669,650	5,638,037	112,467,629	128,057,990	(748,217)	(36,706,801)	90,602,972	384,173,970
2018	2017	10,392,972	1,822,924	6,531,753	129,214,883	147,962,532	(1,123,776)	(43,640,373)	103,198,383	443,887,596
2019	2018	10,151,321	2,015,315	5,600,755	123,472,708	141,240,099	(949,258)	(39,663,234)	100,627,607	423,720,297
2020	2019	10,056,312	2,235,349	5,931,397	125,010,719	143,233,777	(885,138)	(41,468,212)	100,880,427	429,701,331
2021	2020	11,604,511	2,650,081	6,959,661	169,631,984	190,846,237	(948,268)	(62,708,238)	127,189,731	572,538,711
2022	2021	10,335,969	2,650,081	6,727,325	148,868,550	168,581,925	(967,826)	(54,812,167)	112,801,932	505,745,775

Data Source: Office of the County Clerk

(1) Total Equalized Assessed Valuation of property based on the Assessed Valuation of property determined by the Cook County Assessor based on 10% of fair value for residential property and 25% of fair value for commercial and industrial property (except for certain exemptions) equalized by the Equalization Factor calculated by the Illinois Department of Revenue applicable to Cook County. Equalized Assessed Valuation should approximate 33% of the market value of taxable property in the Village.

(2) Total Equalized Assessed Valuation of the Village is reduced by Homeowners Exemptions and the Tax Increment (the Equalized Valuation of property in a Tax Increment District that exceeds the Frozen Level at the inception of the Tax Increment District) for purposes of billing and collecting taxes for the Village.

(3) The Total Estimated Market Value of the Village is based on the Equalized Assessed Valuation before Homeowners Exemptions and Tax Increment multiplied by 3. This calculation assumes that the countrywide Equalization Factor adjusts Assessed Valuation in the Village to one third of market.

Village of McCook

Summary of Largest Taxpayers - Villagewide and TIF Districts
2021 Levy Year Equalized Assessed Valuations

	Villagewide		TIF Districts		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
Progress Rail Locomotion	\$ 15,056,907	15.00 %	\$0	0.00 %	\$ 15,056,907	8.93 %
Vulcan	10,626,384	10.59	0	0.00	10,626,384	6.30
P7DPMcCook	0	0.00	9,380,114	13.76	9,380,114	5.56
Morgan Stanley	0	0.00	9,024,306	13.23	9,024,306	5.35
SVF West 47th	0	0.00	6,575,141	9.64	6,575,141	3.90
Micheal Lewis	0	0.00	6,113,567	8.97	6,113,567	3.63
West 55th Street Investors	5,309,009	5.29	0	0.00	5,309,009	3.15
Hormel Foods	0	0.00	5,299,033	7.77	5,299,033	3.14
Centerpoint Properties	0	0.00	4,922,894	7.22	4,922,894	2.92
Safeguard Properties	0	0.00	4,272,251	6.27	4,272,251	2.53
James Campbell Co LLC	0	0.00	4,049,853	5.94	4,049,853	2.40
MLRF Sergo LLC	5,182,336	5.16	0	0.00	5,182,336	3.07
Hansen Aggregates	5,114,240	5.09	0	0.00	5,114,240	3.03
DCT McCook Industrial	4,233,005	4.22	0	0.00	4,233,005	2.51
Federal Express	4,076,624	4.06	0	0.00	4,076,624	2.42
9400 55th St. Investors LLC	3,909,902	3.89	0	0.00	3,909,902	2.32
Estes Express	3,744,769	3.73	0	0.00	3,744,769	2.22
McCook Cold Storage	0	0.00	3,659,306	5.37	3,659,306	2.17
Keating	0	0.00	3,171,587	4.65	3,171,587	1.88
USF Holland inc.	2,985,140	2.97	0	0.00	2,985,140	1.77
Total	\$ 60,238,316	60.00 %	\$ 56,468,052	82.81 %	\$ 116,706,368	69.20 %
Total EAV (2021 EAV)	\$ 168,581,925		\$ -		\$ 168,581,925	
Frozen	(13,379,907)		13,379,907		-	
Increment	(54,812,167)		54,812,167		-	
Applicable EAV	<u>\$ 100,389,851</u>		<u>\$ 68,192,074</u>		<u>\$ 168,581,925</u>	
	<u>60.00 %</u>		<u>82.81 %</u>		<u>69.23 %</u>	

Independent Auditors' Compliance Report

To the Village Board of
Village of McCook

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of McCook, as of and for the year ended December 31, 2022, and have issued our report thereon dated June 27, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the Village failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, insofar as it relates to accounting matters for the 1st Avenue Tax Increment Financing District; however, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

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

Baker Tilly US, LLP

Oak Brook, Illinois
June 27, 2023

Independent Auditors' Compliance Report

To the Village Board of
Village of McCook

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of McCook, as of and for the year ended December 31, 2022, and have issued our report thereon dated June 27, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the Village failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, insofar as it relates to accounting matters for Joliet Road Tax Increment Financing District; however, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

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

Baker Tilly US, LLP

Oak Brook, Illinois
June 27, 2023

Independent Auditors' Compliance Report

To the Village Board of
Village of McCook

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of McCook, as of and for the year ended December 31, 2022, and have issued our report thereon dated June 27, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the Village failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, insofar as it relates to accounting matters for Riverside Avenue Tax Increment Financing District; however, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

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

Baker Tilly US, LLP

Oak Brook, Illinois
June 27, 2023

Independent Auditors' Compliance Report

To the Village Board of
Village of McCook

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of McCook, as of and for the year ended December 31, 2022, and have issued our report thereon dated June 27, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the Village failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, insofar as it relates to accounting matters for 55th Street Tax Increment Financing District; however, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

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

Baker Tilly US, LLP

Oak Brook, Illinois
June 27, 2023