

# CITY OF NORTH CHICAGO, ILLINOIS

---

## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2024

1850 Lewis Avenue  
North Chicago, Illinois 60064  
Phone: 847.596.8620  
Fax: 847.596.8639  
[www.northchicago.org](http://www.northchicago.org)

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## **FINANCIAL SECTION**

This section includes:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules

## **INDEPENDENT AUDITOR'S REPORT**

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



**INDEPENDENT AUDITOR'S REPORT**

December 8, 2025

The Honorable Mayor  
Members of the City Council  
City of North Chicago, Illinois

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Chicago (the City), Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Chicago, Illinois, as of April 30, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and supplementary pension and other post-employment benefit (OPEB) schedules, 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of North Chicago, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **CITY OF NORTH CHICAGO, ILLINOIS**

## **Management's Discussion and Analysis**

**April 30, 2024**

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Our discussion and analysis of the City of North Chicago (the City), Illinois' financial performance provides an overview of the City's financial activities for the fiscal year ended April 30, 2024. Please read it in conjunction with the City's financial statements, which can be found in the basic financial statements section of this report.

### **FINANCIAL HIGHLIGHTS**

- The City's net position increased as a result of this year's operations. Net position of the governmental activities increased by \$14,222,822, or 16.5 percent, and net position of business-type activities increased by \$2,910,669, or 12.3 percent.
- During the year, government-wide revenues for the primary government totaled \$46,944,407, while expenses totaled \$29,810,916, resulting in an increase to net position of \$17,133,491.
- The City's net position totaled a deficit \$45,364,077 on April 30, 2024, which includes \$18,308,646 net investment in capital assets, \$6,469,269 subject to external restrictions, and a deficit \$70,141,992 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of \$2,732,528 or 13.1 percent, resulting in ending fund balance of \$23,520,701.

### **USING THIS ANNUAL REPORT**

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

#### **Government-Wide Financial Statements**

The government-wide financial statements provide readers with a broad overview of the City's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the City'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 City is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, is needed to assess the overall health of the City.

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

**Management's Discussion and Analysis**

**April 30, 2024**

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**USING THIS ANNUAL REPORT - Continued**

**Government-Wide Financial Statements - Continued**

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, economic development, and highways and streets. The business-type activities of the City include water, sewer, and refuse operations.

The City includes one separate legal entity in its report. The North Chicago Public Library is presented as a discretely presented component unit. Although legally separate, this "component unit" is important because the City is financially accountable for it. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City 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. However, 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 the City's near-term financing requirements.

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

The City maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Downtown TIF Redevelopment Projects Area Debt Service 2007B Fund, the Downtown TIF Redevelopment Projects Area Debt Service 2014A Fund, and the Capital Improvement Fund, which are considered a major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of the governmental funds, except Grant Place, Grant Place Operating, Sheridan Crossing TIF Redevelopment Project Area Operating, Downtown TIF Redevelopment Project Area Debt Service 2007A, Downtown TIF Redevelopment Project Area Debt Service 2007B, Downtown TIF Redevelopment Project Area Debt Service 2014A, and Downtown TIF Redevelopment Project Area Funds . A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

# **CITY OF NORTH CHICAGO, ILLINOIS**

## **Management's Discussion and Analysis**

**April 30, 2024**

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### **USING THIS ANNUAL REPORT - Continued**

#### **Fund Financial Statements - Continued**

##### **Proprietary Funds**

The City maintains two proprietary fund types: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City utilizes enterprise funds to account for its water, sewer, and refuse operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

The City uses internal service funds to account for its dental and vision program and also its retiree's insurance program. This service predominantly benefits governmental rather than business-type functions, and therefore, has been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, and Refuse Fund, which is considered to be a major fund of the City. Conversely, the internal service fund is presented in the proprietary fund financial statements in a single column. Individual fund data for the internal service fund is provided elsewhere in this report.

##### **Fiduciary Funds**

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

##### **Notes to the Financial Statements**

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

##### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's I.M.R.F., police and fire employee pension obligations, post-employment retirement benefit obligations and budgetary comparison schedules for the General Fund. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds is presented immediately following the required supplementary information on pensions.

# CITY OF NORTH CHICAGO, ILLINOIS

## Management's Discussion and Analysis

April 30, 2024

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the City, liabilities/deferred inflows exceeded assets/deferred outflows by \$45,364,077.

	Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 57,593,886	53,657,605	13,081,263	8,749,221	70,675,149	62,406,826
Noncurrent Assets	8,215,580	7,110,173	18,244,970	15,711,221	26,460,550	22,821,394
Total assets	65,809,466	60,767,778	31,326,233	24,460,442	97,135,699	85,228,220
Deferred Outflows	14,399,714	20,100,064	645,725	773,206	15,045,439	20,873,270
Total Assets and Deferred Outflows	80,209,180	80,867,842	31,971,958	25,233,648	112,181,138	106,101,490
Noncurrent Liabilities	93,643,038	93,251,332	3,545,696	1,008,581	97,188,734	94,259,913
Current Liabilities	13,146,708	13,821,383	1,648,855	384,183	14,795,563	14,205,566
Total Liabilities	106,789,746	107,072,715	5,194,551	1,392,764	111,984,297	108,465,479
Deferred Inflows	45,307,441	59,905,956	253,477	227,623	45,560,918	60,133,579
Total Liabilities and Deferred Inflows	152,097,187	166,978,671	5,448,028	1,620,387	157,545,215	168,599,058
Net Position						
Net Investment in Capital Assets	3,364,735	2,697,596	14,943,911	15,277,157	18,308,646	17,974,753
Restricted	6,469,269	10,197,072	—	—	6,469,269	10,197,072
Unrestricted (Deficit)	(81,722,011)	(99,005,497)	11,580,019	8,336,104	(70,141,992)	(90,669,393)
Total Net Position	(71,888,007)	(86,110,829)	26,523,930	23,613,261	(45,364,077)	(62,497,568)

A portion of the City's net position, \$18,308,646, reflects its investment in capital assets (for example, land, construction in progress, land improvements, building and improvements, infrastructure, machinery and equipment, and underground equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$6,469,269, of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining portion, a deficit \$70,141,992, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

# CITY OF NORTH CHICAGO, ILLINOIS

## Management's Discussion and Analysis

April 30, 2024

### GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	\$ 3,329,035	3,335,615	7,359,993	7,595,183	10,689,028	10,930,798
Operating Grants/Contributions	2,520,675	3,705,782	—	—	2,520,675	3,705,782
Capital Grants/Contributions	128,566	1,001,602	1,250,000	—	1,378,566	1,001,602
General Revenues:						
Taxes						
Property Taxes	11,982,046	10,925,054	—	—	11,982,046	10,925,054
Intergovernmental						
Sales Tax	3,576,655	2,345,496	—	—	3,576,655	2,345,496
Income Tax	5,035,697	4,969,990	—	—	5,035,697	4,969,990
Other Taxes	7,256,062	7,439,973	—	—	7,256,062	7,439,973
Investment Income	1,060,352	507,763	583,140	149,661	1,643,492	657,424
Other General Revenues	2,586,639	1,830,912	275,547	27,160	2,862,186	1,858,072
Total Revenues	37,475,727	36,062,187	9,468,680	7,772,004	46,944,407	43,834,191
Expenses						
General Government						
and Administration	5,250,664	5,102,206	—	—	5,250,664	5,102,206
Public Safety	9,733,690	6,409,803	—	—	9,733,690	6,409,803
Economic Development	3,491,399	2,815,888	—	—	3,491,399	2,815,888
Highways and Streets	4,453,029	3,517,184	—	—	4,453,029	3,517,184
Interest on Long-Term Debt	324,123	439,983	—	—	324,123	439,983
Water, Sewer, and Refuse	—	—	6,558,011	5,056,570	6,558,011	5,056,570
Total Expenses	23,252,905	18,285,064	6,558,011	5,056,570	29,810,916	23,341,634
Change in Net Position	14,222,822	17,777,123	2,910,669	2,715,434	17,133,491	20,492,557
Net Position-Beginning	(86,110,829)	(103,887,952)	23,613,261	20,897,827	(62,497,568)	(82,990,125)
Net Position-Ending	(71,888,007)	(86,110,829)	26,523,930	23,613,261	(45,364,077)	(62,497,568)

# CITY OF NORTH CHICAGO, ILLINOIS

## Management's Discussion and Analysis

April 30, 2024

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Net position of the City's governmental activities increased by 16.5 percent (deficit \$71,888,007 in 2024 compared to deficit \$86,110,829 in 2023). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit \$81,722,011 at April 30, 2024.

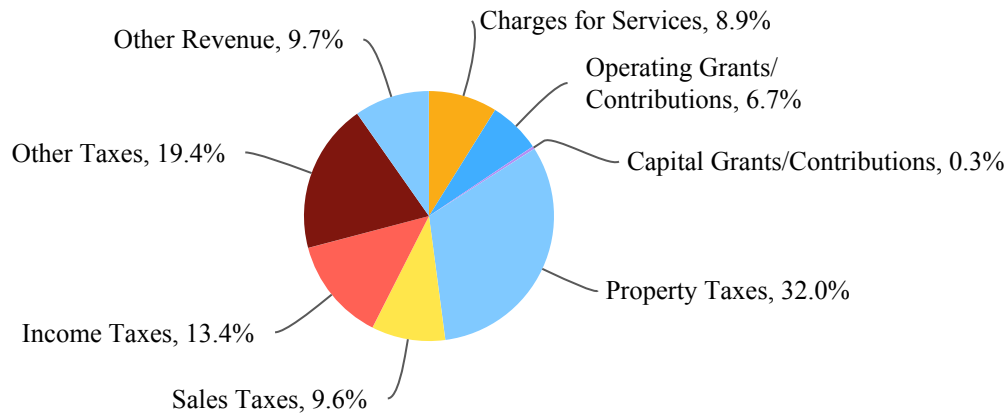
Net position of business-type activities increased by 12.3 percent (\$26,523,930 in 2024 compared to \$23,613,261 in 2023).

#### Governmental Activities

Revenues for governmental activities totaled \$37,475,727, while the cost of all governmental functions totaled \$23,252,905. This results in a surplus of \$14,222,822. In 2023, revenues of \$36,062,187 exceeded expenses of \$18,285,064, resulting in a surplus of \$17,777,123. The increase in 2024 was mainly due to significant increases in property taxes, sales tax, investment income and other general revenues by \$1,056,992, \$1,231,159, \$552,589, and \$755,727 respectively.

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

**Governmental Revenues by Source**





# CITY OF NORTH CHICAGO, ILLINOIS

## Management's Discussion and Analysis

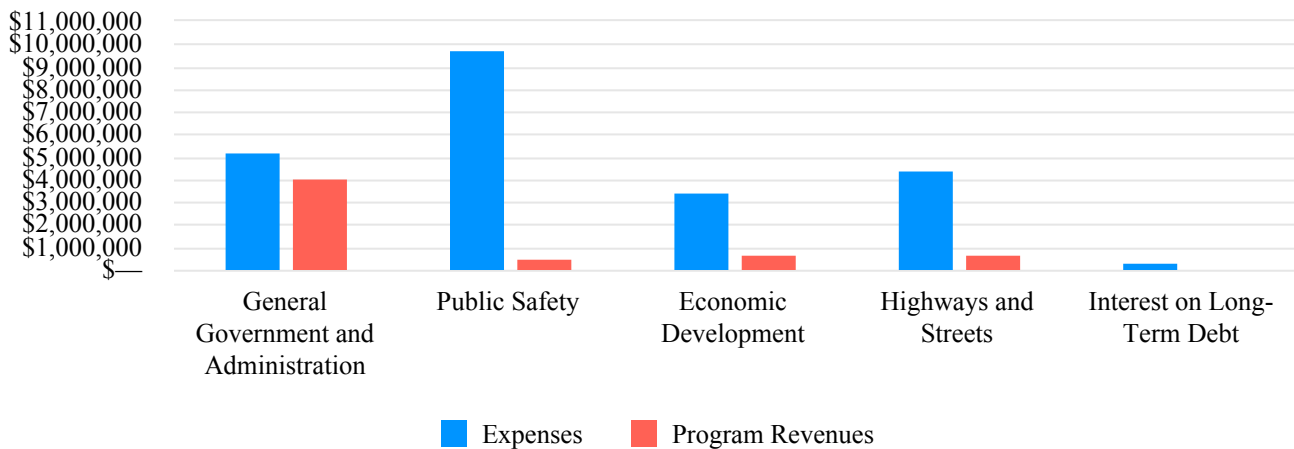
April 30, 2024

### GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

#### Governmental Activities - Continued

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

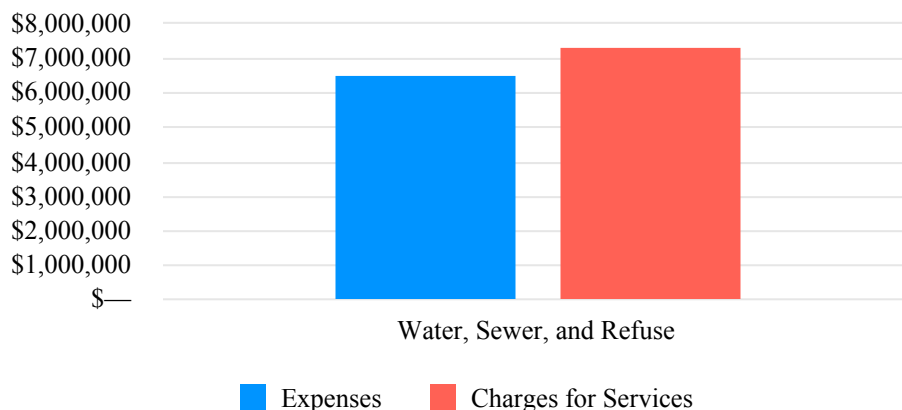
**Expenses and Program Revenues - Governmental Activities**



#### Business-Type activities

Business-Type activities posted total revenues of \$9,468,680, while the cost of all business-type activities totaled \$6,558,011. This results in a surplus of \$2,910,669. In 2023, revenues of \$7,772,004 exceed expenses of \$5,056,570, resulting in a surplus of \$2,715,434. The increase in the current year is mainly due to the capital/grants contributions (IEPA loan forgiveness) of \$1,250,000, higher investment income, and increase in other general revenues compared to last year.

**Expenses and Program Revenues - Business-Type Activities**



The above graph compares program revenues to expenses for water, sewer, and refuse operations.

**Management's Discussion and Analysis**

**April 30, 2024**

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**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds**

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

The City's governmental funds reported combining ending fund balances of \$31,382,058, which is \$1,928,826, or 6.5 percent, higher than last year's total of \$29,453,232. Of the \$31,382,058 total, \$20,228,558, or approximately 64.5 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$2,732,528, an increase of 13.1 percent. This was due in large part to increases in property taxes, other taxes, home rule sales taxes, and miscellaneous revenues.

The General Fund is the chief operating fund of the City. At April 30, 2024, unassigned fund balance in the General Fund was \$22,468,281, which represents 95.5 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 75.2 percent of total General Fund expenditures.

The Downtown TIF Redevelopment Projects Area Debt Service 2007B Fund reported no change in fund balance, ending at \$2,346.

The Downtown TIF Redevelopment Projects Area Debt Service 2014A Fund reported an increase of \$1,081,412 from the prior year. The fund saw an increase in revenue because the debt it was servicing has been fully retired.

The Capital Improvement Fund reported a decrease of \$16,002 from the prior year. The decrease was primarily due to increased capital outlay expenditures related to various capital projects that took place in the current year. The transfers in of \$1,003,788 did not fully cover the capital outlay expenditures.

**Proprietary Funds**

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

The City reports the Water, Sewer, and Refuse Fund as a major proprietary fund. The Water, Sewer, and Refuse Fund accounts for all of the operations of the municipal water and sewer system, as well as the City's refuse operations. Refuse services are provided by LRS Waste Management Services at a monthly rate of \$82,409. Water is sold to all municipal customers at a rate of \$5.11 per thousand gallons for water and a rate of \$2.41 for sewer. The spread between purchase and sale rates is intended to finance the operations of the water, sewer, and refuse operations, including labor costs, supplies, and infrastructure maintenance.

The City intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The surplus in the Water, Sewer, and Refuse Fund during the current fiscal year was \$2,910,669, while the previous fiscal year reported a surplus of \$2,715,434. Unrestricted net position in the Water, Sewer, and Refuse Fund totaled \$11,580,019 at April 30, 2024.

## CITY OF NORTH CHICAGO, ILLINOIS

### Management's Discussion and Analysis

April 30, 2024

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#### GENERAL FUND BUDGETARY HIGHLIGHTS

The City Council made no budget/appropriations amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$32,998,713, compared to budgeted revenues of \$31,239,585. All line items came in over budget, except for charges for services and fines and forfeitures, but the largest overage was in utility taxes, other taxes, and home rule sales taxes.

The General Fund actual expenditures for the year were \$297,175 under budget (\$29,859,007 actual compared to \$30,156,182 budgeted). All functions came in under budget, except for debt service and capital outlay. The largest underage was in public safety where actual expenditures for salaries and wages and purchased services came in well under budget for the year.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of April 30, 2024 was \$26,460,550 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, infrastructure, machinery and equipment, and underground equipment.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Land	\$ 728,006	728,006	14,491	4,491	742,497	732,497
Construction in Progress	958,234	525,171	3,588,173	762,457	4,546,407	1,287,628
Land Improvements	1,845,548	1,974,024	68,681	81,780	1,914,229	2,055,804
Improvements	2,115,002	1,891,009	2,906,222	3,071,965	5,021,224	4,962,974
Infrastructure	39,282	40,764	—	—	39,282	40,764
Equipment	2,529,508	1,951,199	902,096	608,617	3,431,604	2,559,816
Underground Equipment	—	—	10,765,307	11,181,911	10,765,307	11,181,911
	8,215,580	7,110,173	18,244,970	15,711,221	26,460,550	22,821,394

This year's major additions included:

Land	\$ 10,000
Construction in Progress	3,619,163
Machinery and Equipment	<u>1,264,131</u>
	<u>4,893,294</u>

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

## CITY OF NORTH CHICAGO, ILLINOIS

### Management's Discussion and Analysis

April 30, 2024

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#### CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

##### Debt Administration

At year-end, the City had total outstanding debt of \$18,105,912 as compared to \$16,213,043 the previous year, an increase of 11.7 percent. The following is a comparative statement of outstanding debt:

	Outstanding Long-Term Debt					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 3,345,000	4,065,000	—	—	3,345,000	4,065,000
Notes Payable	3,003,095	3,399,108	—	—	3,003,095	3,399,108
TIF Notes Payable	1,499,297	1,528,153	—	—	1,499,297	1,528,153
Installment Contracts Payable	786,682	347,577	—	—	786,682	347,577
IEPA Loans Payable	—	—	3,040,497	434,064	3,040,497	434,064
Lawsuit Settlement Liability	42,600	50,400	—	—	42,600	50,400
Pollution Remediation Liability	6,388,741	6,388,741	—	—	6,388,741	6,388,741
	15,065,415	15,778,979	3,040,497	434,064	18,105,912	16,213,043

The City has maintained a BBB rating from S&P Global Ratings for its general obligation debt for the last five years. In response to S&P Global Ratings' concerns, the City has actively addressed three major issues: severe pension underfunding and the absence of a plan to improve it, a high debt burden, and the Fire Pension Board intercept. Since the 2018 rating, the City has implemented a pension fund policy, reducing its pension liability. Additionally, the City has paid off 61% of its debt since 2018 and entered into an agreement with the Fire Pension Board to increase annual contribution to the pension. Through these actions, the City has demonstrated a commitment to reducing its liabilities.

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

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal-year 2025 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Unemployment rates for April 30, 2024 for Lake County was 5.0 percent and the state and national unemployment rates were 5.1 and 3.9 percent, respectively.

These indicators were taken into account when adopting the General Fund budget for 2025. Amounts available for appropriation in the General Fund budget are \$31,663,992, an increase of 5.0 percent from the final 2024 budget of \$30,156,182. The City anticipates an increase in tax revenues, budgeting \$27,701,915 for 2025 as compared to the final 2024 budget of \$18,117,415, an increase of 11.3 percent. The City has added no major new programs or initiatives in the 2025 budget.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Comptroller Office, City of North Chicago, 1850 Lewis Avenue, North Chicago, Illinois 60064.

## **BASIC FINANCIAL STATEMENTS**

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Fund

Fiduciary Funds

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

**CITY OF NORTH CHICAGO, ILLINOIS**

**Statement of Net Position**

**April 30, 2024**

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**See Following Page**

# CITY OF NORTH CHICAGO, ILLINOIS

## Statement of Net Position

April 30, 2024

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Totals	Unit North Chicago Public Library
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 33,413,884	10,566,326	43,980,210	1,393,849
Receivables - Net of Allowances	18,754,992	2,109,601	20,864,593	879,953
Due from Other Governments	251,742	—	251,742	307
Internal Balances	(89,614)	89,614	—	—
Prepays	1,074,060	7,519	1,081,579	1,952
Land Held for Resale	3,509,654	—	3,509,654	—
Total Current Assets	56,914,718	12,773,060	69,687,778	2,276,061
Noncurrent Assets				
Capital assets				
Nondepreciable	1,686,240	3,602,664	5,288,904	71,966
Depreciable	16,478,617	44,110,961	60,589,578	1,443,158
Accumulated Depreciation	(9,949,277)	(29,468,655)	(39,417,932)	(1,019,533)
Total Capital Assets	8,215,580	18,244,970	26,460,550	495,591
Other Assets				
Net Pension Asset - IMRF	679,168	308,203	987,371	83,793
Total Noncurrent Assets	8,894,748	18,553,173	27,447,921	579,384
Total Assets	65,809,466	31,326,233	97,135,699	2,855,445
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Items - IMRF	1,005,314	456,206	1,461,520	124,031
Deferred Items - Police Pension	7,313,688	—	7,313,688	—
Deferred Items - Firefighters' Pension	4,387,497	—	4,387,497	—
Deferred Items - Retiree Benefits Plan	1,693,215	189,519	1,882,734	74,210
Total Deferred Outflows of Resources	14,399,714	645,725	15,045,439	198,241
Total Assets and Deferred Outflows of Resources	80,209,180	31,971,958	112,181,138	3,053,686

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

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Totals	Unit North Chicago Public Library
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ 1,775,102	1,256,276	3,031,378	305,944
Accrued Payroll	326,336	31,683	358,019	12,339
Retainage Payable	59,344	260,562	319,906	—
Accrued Interest Payable	100,517	—	100,517	—
Other Liabilities	3,353,136	—	3,353,136	—
Other Payables	5,612,899	—	5,612,899	—
Current Portion of Long-Term Debt	1,919,374	100,334	2,019,708	15,132
Total Current Liabilities	13,146,708	1,648,855	14,795,563	333,415
Noncurrent Liabilities				
Compensated Absences Payable	1,435,246	86,166	1,521,412	27,774
Net Pension Liability - IMRF	—	—	—	—
Net Pension Liability - Police Pension	50,426,407	—	50,426,407	—
Net Pension Liability - Firefighters' Pension	23,828,820	—	23,828,820	—
Notes Payable	2,607,082	—	2,607,082	—
Total OPEB Liability - Retiree Benefits Plan	4,260,747	476,909	4,737,656	186,744
General Obligation Bonds Payable - Net	2,580,000	—	2,580,000	—
Lawsuit Settlement Liability	42,600	—	42,600	—
Pollution Remediation Liability	6,388,741	—	6,388,741	—
TIF Notes Payable	1,499,297	—	1,499,297	—
Installment Contracts Payable	574,098	—	574,098	—
IEPA Loans Payable	—	2,982,621	2,982,621	—
Total Noncurrent Liabilities	93,643,038	3,545,696	97,188,734	214,518
Total Liabilities	106,789,746	5,194,551	111,984,297	547,933
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	14,018,620	—	14,018,620	804,238
Deferred Items - IMRF	57,937	26,292	84,229	7,148
Deferred Items - Police Pension	20,531,308	—	20,531,308	—
Deferred Items - Firefighters' Pension	8,669,840	—	8,669,840	—
Deferred Items - Retiree Benefits Plan	2,029,736	227,185	2,256,921	88,958
Total Deferred Inflows of Resources	45,307,441	253,477	45,560,918	900,344
Total Liabilities and Deferred Inflows of Resources	152,097,187	5,448,028	157,545,215	1,448,277
<b>NET POSITION</b>				
Net Investment in Capital Assets	3,364,735	14,943,911	18,308,646	495,591
Restricted - Public Safety	123,143	—	123,143	—
Restricted - Economic Development	1,392	—	1,392	—
Restricted - Highways and Streets	3,129,757	—	3,129,757	—
Restricted - Debt Service	1,926,996	—	1,926,996	—
Restricted - Capital Projects	1,287,981	—	1,287,981	—
Restricted - Public Library	—	—	—	1,109,818
Unrestricted (Deficit)	(81,722,011)	11,580,019	(70,141,992)	—
Total Net Position	(71,888,007)	26,523,930	(45,364,077)	1,605,409

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



# CITY OF NORTH CHICAGO, ILLINOIS

## Statement of Activities

For the Fiscal Year Ended April 30, 2024

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government and Administration	\$ 5,250,664	3,070,633	1,010,308	—
Public Safety	9,733,690	258,402	240,174	—
Economic Development	3,491,399	—	572,106	128,566
Highways and Streets	4,453,029	—	698,087	—
Interest on Long-Term Debt	324,123	—	—	—
Total Governmental Activities	23,252,905	3,329,035	2,520,675	128,566
Business-Type Activities				
Water, Sewer, and Refuse	6,558,011	7,359,993	—	1,250,000
Total Primary Government	29,810,916	10,689,028	2,520,675	1,378,566
Component Unit				
North Chicago Public Library	1,016,091	2,373	47,296	—

### General Revenues

#### Taxes

Property Taxes

State Use Taxes

Utility Taxes

Hotel/Motel Taxes

Video Gaming Taxes

Telecommunications Taxes

Home Rule Sales Taxes

Other Taxes

#### Intergovernmental - Unrestricted

State Replacement

State Income Taxes

State Sales Taxes

American Rescue Plan

Investment Income

Miscellaneous

Totals

Change in Net Position

Net position - Beginning

Net position - Ending

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

Net (Expenses) Revenues			Component Unit North Chicago Public Library
Primary Government			
Governmental Activities	Business-Type Activities	Totals	
(1,169,723)	—	(1,169,723)	—
(9,235,114)	—	(9,235,114)	—
(2,790,727)	—	(2,790,727)	—
(3,754,942)	—	(3,754,942)	—
(324,123)	—	(324,123)	—
(17,274,629)	—	(17,274,629)	—
—	2,051,982	2,051,982	—
(17,274,629)	2,051,982	(15,222,647)	—
—	—	—	(966,422)
11,982,046	—	11,982,046	771,606
1,160,146	—	1,160,146	—
1,936,877	—	1,936,877	—
293,975	—	293,975	—
704,086	—	704,086	—
361,884	—	361,884	—
1,707,177	—	1,707,177	—
2,046,965	—	2,046,965	—
752,129	—	752,129	—
5,035,697	—	5,035,697	—
1,869,478	—	1,869,478	—
470,406	—	470,406	—
1,060,352	583,140	1,643,492	85,539
2,116,233	275,547	2,391,780	11,300
31,497,451	858,687	32,356,138	868,445
14,222,822	2,910,669	17,133,491	(97,977)
(86,110,829)	23,613,261	(62,497,568)	1,703,386
(71,888,007)	26,523,930	(45,364,077)	1,605,409

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

# CITY OF NORTH CHICAGO, ILLINOIS

## Balance Sheet - Governmental Funds

April 30, 2024

		General
ASSETS		
Cash and Investments	\$	21,005,907
Receivables - Net of Allowances		
Taxes		13,050,745
Accounts		3,312,026
Other		32,241
Due from Other Governments		133,918
Due from Other Funds		1,116,037
Land Held for Resale		58,235
Prepays		994,185
Total Assets		39,703,294
LIABILITIES		
Accounts Payable		729,610
Accrued Payroll		326,336
Retainage Payable		—
Other Liabilities		3,352,036
Due to Other Funds		110,232
Total Liabilities		4,518,214
DEFERRED INFLOWS OF RESOURCES		
Property Taxes		11,664,379
Grants		—
Total Deferred Inflows of Resources		11,664,379
Total Liabilities and Deferred Inflows of Resources		16,182,593
FUND BALANCES		
Nonspendable		1,052,420
Restricted		—
Unassigned		22,468,281
Total Fund Balances		23,520,701
Total Liabilities, Deferred Inflows of Resources and Fund Balances		39,703,294

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

Debt Service		Capital Projects Capital Improvement	Nonmajor	Totals
Downtown TIF Redevelopment Project Area Debt Service 2007B	Downtown TIF Redevelopment Project Area Debt Service 2014A			
2,346	1,750,951	5,387,974	4,879,605	33,026,783
—	1,363,732	—	990,509	15,404,986
—	—	—	—	3,312,026
—	—	—	5,237	37,478
—	—	—	118,065	251,983
—	—	—	19,921	1,135,958
—	—	—	3,451,419	3,509,654
—	—	—	79,875	1,074,060
2,346	3,114,683	5,387,974	9,544,631	57,752,928
—	—	659,766	384,890	1,774,266
—	—	—	—	326,336
—	—	15,368	43,976	59,344
—	—	—	1,100	3,353,136
—	—	100	1,115,937	1,226,269
—	—	675,234	1,545,903	6,739,351
—	1,363,732	—	990,509	14,018,620
—	—	5,612,899	—	5,612,899
—	1,363,732	5,612,899	990,509	19,631,519
—	1,363,732	6,288,133	2,536,412	26,370,870
—	—	—	3,531,294	4,583,714
2,346	1,750,951	—	4,816,489	6,569,786
—	—	(900,159)	(1,339,564)	20,228,558
2,346	1,750,951	(900,159)	7,008,219	31,382,058
2,346	3,114,683	5,387,974	9,544,631	57,752,928

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

## CITY OF NORTH CHICAGO, ILLINOIS

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

April 30, 2024

<b>Total Governmental Fund Balances</b>	<b>\$ 31,382,058</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	8,215,580
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	679,168
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	947,377
Deferred Items - Police Pension	(13,217,620)
Deferred Items - Firefighters' Pension	(4,282,343)
Deferred Items - Retiree Benefits Plan	(336,521)
Internal service funds are used by the City to charge the costs of central services and vehicle replacement to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	387,223
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable	(1,794,058)
Net Pension Liability - Police Pension	(50,426,407)
Net Pension Liability - Firefighters' Pension	(23,828,820)
Total OPEB Liability - Retiree Benefits Plan	(4,447,712)
General Obligation Bonds Payable	(3,345,000)
Notes Payable	(3,003,095)
Lawsuit Settlement Liability	(42,600)
Pollution Remediation Liability	(6,388,741)
TIF Notes Payable	(1,499,297)
Installment Contracts Payable	(786,682)
Accrued Interest Payable	(100,517)
<b>Net Position of Governmental Activities</b>	<b>(71,888,007)</b>

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

**CITY OF NORTH CHICAGO, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2024**

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**See Following Page**

# CITY OF NORTH CHICAGO, ILLINOIS

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended April 30, 2024

	<u>General</u>
Revenues	
Taxes	\$ 18,664,481
Intergovernmental	8,903,736
Charges for Services	2,348,515
Licenses and Permits	722,118
Fines and Forfeitures	258,402
Investment Income	660,135
Miscellaneous	1,441,326
Total Revenues	<u>32,998,713</u>
Expenditures	
General Government and Administration	5,456,667
Public Safety	19,061,969
Economic Development	1,198,102
Highways and Streets	2,734,534
Capital Outlay	846,477
Debt Service	
Principal Retirement	561,258
Interest and Fiscal Charges	—
Total Expenditures	<u>29,859,007</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,139,706</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	60
Debt Issuance	596,550
Transfers In	—
Transfers Out	(1,003,788)
	<u>(407,178)</u>
Net Change in Fund Balances	2,732,528
Fund Balances - Beginning	<u>20,788,173</u>
Fund Balances - Ending	<u>23,520,701</u>

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

Debt Service		Capital Projects Capital Improvement	Nonmajor	Totals
Downtown TIF Redevelopment Project Area Debt Service 2007B	Downtown TIF Redevelopment Project Area Debt Service 2014A			
—	1,008,098	—	520,577	20,193,156
—	—	470,406	1,402,809	10,776,951
—	—	—	—	2,348,515
—	—	—	—	722,118
—	—	—	—	258,402
—	73,314	—	315,334	1,048,783
—	—	—	674,907	2,116,233
—	1,081,412	470,406	2,913,627	37,464,158
—	—	—	—	5,456,667
—	—	—	4,900	19,066,869
—	—	—	965,803	2,163,905
—	—	—	413,864	3,148,398
—	—	1,490,196	1,783,609	4,120,282
—	—	—	748,856	1,310,114
—	—	—	345,759	345,759
—	—	1,490,196	4,262,791	35,611,994
—	1,081,412	(1,019,790)	(1,349,164)	1,852,164
—	—	—	(519,948)	(519,888)
—	—	—	—	596,550
—	—	1,003,788	—	1,003,788
—	—	—	—	(1,003,788)
—	—	1,003,788	(519,948)	76,662
—	1,081,412	(16,002)	(1,869,112)	1,928,826
2,346	669,539	(884,157)	8,877,331	29,453,232
2,346	1,750,951	(900,159)	7,008,219	31,382,058

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



## CITY OF NORTH CHICAGO, ILLINOIS

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended April 30, 2024

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,928,826</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital Outlays	1,653,275
Depreciation Expense	(547,868)

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(379,789)
Change in Deferred Items - Police Pension	9,851,978
Change in Deferred Items - Firefighters' Pension	1,813,336
Change in Deferred Items - Retiree Benefits Plan	(255,472)

Internal service funds are used by the City to charge the costs of insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

177,514

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

Change in Compensated Absences Payable	93,275
Change in Net Pension Liability/(Asset) - IMRF	1,081,210
Change in Net Pension Liability - Police Pension	(2,665,777)
Change in Net Pension Liability - Firefighters' Pension	439,527
Change in Total OPEB Liability - Retiree Benefits Plan	297,587
Debt Issuance	(596,550)
Debt Retirement	1,310,114

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

21,636

**Changes in Net Position of Governmental Activities**

14,222,822

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

**CITY OF NORTH CHICAGO, ILLINOIS**

**Statement of Net Position - Proprietary Funds**

**April 30, 2024**

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**See Following Page**

**CITY OF NORTH CHICAGO, ILLINOIS**

**Statement of Net Position - Proprietary Funds**

**April 30, 2024**

	Business-Type Activities - Enterprise Fund	Governmental Activities
	Water, Sewer, and Refuse	Internal Service
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ 10,566,326	387,101
Receivables - Net of Allowances		
Accounts	539,344	502
Other	137,130	—
Grants	1,433,127	—
Due from Other Funds	89,614	697
Prepays	7,519	—
Total Current Assets	12,773,060	388,300
Noncurrent Assets		
Capital Assets		
Nondepreciable	3,602,664	—
Depreciable	44,110,961	—
Accumulated Depreciation	(29,468,655)	—
Total Capital Assets	18,244,970	—
Other Assets		
Net Pension Asset - IMRF	308,203	—
Total Noncurrent Assets	18,553,173	—
Total Assets	31,326,233	388,300
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Items - IMRF	456,206	—
Deferred Items - Retiree Benefits Plan	189,519	—
Total Deferred Outflows of Resources	645,725	—
Total Assets and Deferred Outflows of Resources	31,971,958	388,300

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

	Business-Type Activities - Enterprise Fund	Governmental Activities Internal Service
	Water, Sewer, and Refuse	
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	\$ 1,256,276	1,077
Accrued Payroll	31,683	—
Retainage Payable	260,562	—
Compensated Absences Payable	21,542	—
Total OPEB Liability - Retiree Benefits Plan	20,916	—
IEPA Loans Payable	57,876	—
Total Current Liabilities	1,648,855	1,077
Noncurrent Liabilities		
Compensated Absences	86,166	—
Total OPEB Liability - Retiree Benefits Plan	476,909	—
IEPA Loans Payable	2,982,621	—
Total Noncurrent Liabilities	3,545,696	—
Total Liabilities	5,194,551	1,077
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Items - IMRF	26,292	—
Deferred Items - RBP	227,185	—
Total Deferred Inflows of Resources	253,477	—
Total Liabilities and Deferred Inflows of Resources	5,448,028	1,077
<b>NET POSITION</b>		
Net Investment in Capital Assets	14,943,911	—
Unrestricted	11,580,019	387,223
Total Net Position	26,523,930	387,223

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

# CITY OF NORTH CHICAGO, ILLINOIS

## Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds For the Fiscal Year Ended April 30, 2024

	Business-Type Activities - Enterprise Fund	Governmental Activities Internal Service
Operating Revenues		
Charges for Services	\$ 7,359,993	—
Miscellaneous	29,851	—
Interfund Services	—	383,022
Total Operating Revenues	7,389,844	383,022
Operating Expenses		
Operations		
Water	4,378,243	—
Sewer	465,076	—
Refuse	1,007,221	—
Premiums and Claims Payments	—	217,077
Depreciation	706,270	—
Total Operating Expenses	6,556,810	217,077
Operating Income	833,034	165,945
Nonoperating Revenues (Expenses)		
Investment Income	583,140	11,569
Other Income	245,696	—
Interest Expense	(1,201)	—
	827,635	11,569
Income Before Capital Contributions	1,660,669	177,514
Capital Contributions	1,250,000	—
Change in Net Position	2,910,669	177,514
Net Position - Beginning	23,613,261	209,709
Net Position - Ending	26,523,930	387,223

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

# CITY OF NORTH CHICAGO, ILLINOIS

## Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended April 30, 2024

	Business-Type Activities Enterprise Fund Water, Sewer, and Refuse	Governmental Activities Internal Service
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 5,927,742	—
Receipts from Interfund Services	—	383,022
Payments to Employees	(1,089,906)	(10,861)
Payments to Suppliers	(3,539,426)	(206,946)
	<u>1,298,410</u>	<u>165,215</u>
Cash Flows from Noncapital Financing Activities		
Interfund Loans and Repayment	(93,738)	—
	<u>(93,738)</u>	<u>—</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(1,990,019)	—
Debt Issuance	3,914,309	—
Debt Retirement	(1,307,876)	—
Interest Expense	(1,201)	—
	<u>615,213</u>	<u>—</u>
Cash Flows from Investing Activities		
Investment Income	583,140	11,569
Net Change in Cash and Cash Equivalents	2,403,025	176,784
Cash and Cash Equivalents - Beginning	8,163,301	210,317
Cash and Cash Equivalents - Ending	<u>10,566,326</u>	<u>387,101</u>
Reconciliation of Operating Income to		
Net Cash Provided (Used) by Operating Activities		
Operating Income	833,034	165,945
Adjustments to Reconcile Operating Income		
to Net Income to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation	706,270	—
Other Income	245,696	—
(Increase) Decrease in Current Assets	(1,707,798)	(1,199)
Increase (Decrease) in Current Liabilities	1,221,208	469
	<u>1,298,410</u>	<u>165,215</u>
Net Cash Provided by Operating Activities	<u>1,298,410</u>	<u>165,215</u>
Noncash Capital and Related Financing Activities		
Capital Contributions	<u>1,250,000</u>	<u>—</u>

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

**CITY OF NORTH CHICAGO, ILLINOIS**

**Statement of Fiduciary Net Position**

**April 30, 2024**

	<u>Pension Trust</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,387,576
Investments	
Illinois Police Officers' Pension Investment Trust	15,426,813
Illinois Firefighters' Pension Investment Trust	13,104,981
Insurance Contracts	3,348,583
Prepays	<u>7,349</u>
Total Assets	<u>33,275,302</u>
<b>LIABILITIES</b>	
Accounts Payable	5,970
Due to Municipality	<u>241</u>
Total Liabilities	<u>6,211</u>
<b>NET POSITION</b>	
Net Position Restricted for Pensions	<u><u>33,269,091</u></u>

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

# CITY OF NORTH CHICAGO, ILLINOIS

## Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended April 30, 2024

	Pension Trust
Additions	
Contributions - Employer	\$ 6,031,526
Contributions - Plan Members	628,608
Other	10,962
Total Contributions	<u>6,671,096</u>
Investment Income (Loss)	
Interest Earned	317,781
Net Change in Fair Value	2,769,202
	<u>3,086,983</u>
Less Investment Expenses	(20,358)
Net Investment Income	<u>3,066,625</u>
Total Additions	<u>9,737,721</u>
Deductions	
Administration	113,508
Benefits and Refunds	<u>5,361,842</u>
Total Deductions	<u>5,475,350</u>
Change in Fiduciary Net Position	4,262,371
Net Position Restricted for Pensions	
Beginning	<u>29,006,720</u>
Ending	<u><u>33,269,091</u></u>

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



**Notes to the Financial Statements**

**April 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of North Chicago (the City), Illinois, is incorporated in Lake County in the State of Illinois. The City is a home rule unit and operates under the City Council form of government. The City Council is composed of the Mayor and seven Alderman. The City provides services to the community that include: public safety, police and fire, economic development, highways and streets, water, sewer, refuse, and other general and administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP in the United States). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP in the United States for state and local governments through its pronouncements (Statements and Interpretations).

**REPORTING ENTITY**

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are two fiduciary component units that are required to be included in the financial statements of the City as pension trust funds and there is one discretely component unit to include in the reporting entity.

**Blended Component Units**

**Police Pension Employees Retirement System**

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

**Firefighters' Pension Employees Retirement System**

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

# **CITY OF NORTH CHICAGO, ILLINOIS**

## **Notes to the Financial Statements**

**April 30, 2024**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### **REPORTING ENTITY - Continued**

##### **Discretely Presented Component Unit**

Discretely presented component units are separate legal entities that meet the component unit criteria described in GASB Statement No. 61 and GASB Statement No. 84 but do not meet the criteria for blending.

##### **North Chicago Public Library**

The North Chicago Public Library is a legally separate organization. The board of the Library is appointed by the Mayor with the approval of the City Council. The Library's budget and tax levy is subject to approval by the City Council. As a component unit, the Library's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended April 30, 2024. No separate annual financial report is issued for the Library.

#### **BASIS OF PRESENTATION**

##### **Government-Wide Financial Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's public safety, economic development, highway and streets, and general administrative services are classified as governmental activities. The City's water, sewer and refuse services are classified as business-type activities.

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

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

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

The City does allocate indirect costs. Costs for dental and vision insurance (Dental and Vision) and retiree's insurance premiums (Retiree's Premiums) are provided to other departments or agencies of the government on a cost reimbursed basis.

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

Notes to the Financial Statements

April 30, 2024

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

**Fund Financial Statements**

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

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

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

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

**Governmental Funds**

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

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

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains nine nonmajor special revenue funds.

*Debt Service Funds* are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Downtown TIF Redevelopment Project Area Debt Service 2007B, a major fund, is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the tax increment financing district. The Downtown TIF Redevelopment Project Area Debt Service 2014A Fund, also a major fund, is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the tax increment financing district. The City also maintains two nonmajor debt service funds.

Notes to the Financial Statements

April 30, 2024

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Governmental Funds - Continued

*Capital Projects Funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Capital Improvement Fund, a major fund, is used to account for the revenues and expenditures relative to the construction of capital improvements or the purchase of vehicles and equipment. The City also maintains two nonmajor capital projects funds.

Proprietary Funds

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

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

*Internal Service Funds* are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The City maintains two internal service funds. Internal service funds account for dental and vision insurance premiums (Dental and Vision) and retiree's insurance premiums (Retiree's Premium) provided to departments or agencies of the government, or to other governments, on a cost reimbursement basis. The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government and administration, public safety, economic development, highways and streets, etc.).

Fiduciary Funds

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

*Pension Trust Funds* are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Fire Department.

**Notes to the Financial Statements**

**April 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**BASIS OF PRESENTATION - Continued**

**Fiduciary Funds - Continued**

The City's pension trust funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

**Measurement Focus**

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

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

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

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

**Basis of Accounting**

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

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

**Notes to the Financial Statements**

**April 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued**

**Basis of Accounting - Continued**

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds, and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system and sales of water meters needed by customers for service. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/NET POSITION**

**Cash and Investments**

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

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

**Interfund Receivables, Payables and Activity**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION- Continued

##### Receivables

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

##### Prepays/Inventories - Land Held for Resale

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased. The City values is property held for resale at cost, adjusted for impairment. The City intends to sell various parcels of property in the future to residential and commercial developers. Future valuations are subject to market conditions and could significantly differ from current carrying value.

##### Capital Assets

Capital assets purchased or acquired with an original cost of more than \$5,000, except for infrastructure which has a capitalization threshold of \$100,000, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

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

Land Improvements	20 Years
Buildings and Improvements	45 - 50 Years
Infrastructure	15 - 80 Years
Machinery and Equipment	5 - 15 Years
Underground Equipment	45 Years

**Notes to the Financial Statements**

**April 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/  
NET POSITION - Continued**

**Compensated Absences**

The City accrues accumulated unused vacation, sick pay and other employee benefit costs when earned (or estimated to be earned) by the employee. If an employee has accumulated hours in excess of 560 hours, all such excess hours shall be paid at one-half the employee's hourly salary, if the City budget allows, at the beginning of each fiscal year. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement.

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

**Deferred Outflows/Inflows of Resources**

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

**Long-Term Obligations**

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

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



# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - Continued

##### Net Position

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

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

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

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

##### Use of Estimates

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

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with GAAP. The City passed the Appropriation Ordinance 2023-21 and made no amendments during the year. Annual budgets are adopted (at the fund level) for all funds, except for GrantsPlace, Grant Place Operating, Sheridan Crossing TIF Redevelopment Project Area Operating, Downtown TIF Redevelopment Project Area Debt Service 2014A, Downtown TIF Redevelopment Project Area Debt Service 2007A, Downtown TIF Redevelopment Project Area Debt Service 2007B, Downtown TIF Redevelopment Project Area, and Police Pension and Firefighters' Pension Funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

#### EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had excess of actual expenditures over budget for the fiscal year:

Fund	Budget	Actual	Appropriation
Community Development Block Grant	\$ 154,030	773,606	161,732
Grant Place Retail Center Debt Service 2007C	965,657	1,065,759	1,013,940

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

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### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

#### DEFICIT FUND BALANCE

The following funds had deficit fund balance as of the date of this report:

Fund	Deficit
Capital Improvement	\$ 900,159
Grant	738,833
Community Development Block Grant	485,652
Grant Place Operating	3,380

### NOTE 3 - DETAIL NOTES ON ALL FUNDS

#### DEPOSITS AND INVESTMENTS

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

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company.

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company.

The Illinois Public Reserves Investment Management Trust (IPRIME) is an investment opportunity and cash management service for Illinois Municipal Treasurers acting on behalf of counties, townships, cities, towns, villages, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, and all other political corporations or subdivisions of the State of Illinois. Participation in IPRIME is voluntary. IPRIME is not registered with the SEC as an Investment Company. Investments in IPRIME are valued at the share price, the price for which the investment could be sold.

#### City

*Deposits.* At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$27,427,675 and the bank balances totaled \$27,570,180. In addition, the City has \$4,858,544 invested in the Illinois Funds, \$528,765 invested in IPRIME, \$788,117 invested in IMET, and \$3,509,654 in land held for resale.

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### DEPOSITS AND INVESTMENTS - Continued

##### City - Continued

*Investments.* At year-end, the City has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasuries	\$ 5,899,648	1,078,449	3,209,014	1,612,185	—
U.S. Agencies	573,419	533,507	39,912	—	—
Corporate Bonds	2,671,562	2,175,063	496,499	—	—
Municipal Bonds	1,232,480	—	—	1,232,480	—
Totals	10,377,109	3,787,019	3,745,425	2,844,665	—

The City has the following recurring fair value measurements as of April 30, 2024:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 5,899,648	5,899,648	—	—
U.S. Agencies	573,419	—	573,419	—
Corporate Bonds	2,671,562	—	2,671,562	—
Municipal Bonds	1,232,480	—	1,232,480	—
Land Held for Resale	3,509,654	—	3,509,654	—
Total Investments by Fair Value Level	13,886,763	5,899,648	7,987,115	—
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	4,858,544			
IPRIME	528,765			
IMET	788,117			
Total Investments at the (NAV)	6,175,426			
Total Investments Measured at Fair Value	20,062,189			

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### DEPOSITS AND INVESTMENTS - Continued

##### City - Continued

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City limits its exposure to interest rate risk by limiting investment maturities to no more than three years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates. The objective is to maintain a core portfolio with maturities in the one- to three-year range. Illinois Funds, IMET and IPRIME have average maturities of less than one year.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in corporate bonds to the top three ratings issued by nationally recognized statistical rating organizations and to the top four ratings for municipal bonds. The City's investment policy imposes further limits on investment choices and prohibits investments in "derivative" securities and in repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986. At year-end, the City's investments in U.S. agencies are rated AA+ by Standard & Poor's, corporate bonds are rated A- to AAA by Standard & Poor's, municipal bonds are rated AA to AAA by Standard & Poor's, the Illinois Funds is rated AAmmf by Fitch, IPRIME is rated AAAf by Standard & Poor's and IMET is rated AAAf/bf by Moody's.

*Custodial Credit Risk - Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy states that deposits should have a collateralization ratio of 102% of the fair value of funds secured, with collateral held by a third-party custodian designated by the Investment Officer and evidenced by safekeeping receipts. At year-end, all of the deposits were covered by FDIC insurance or collateral held by the City or safekeeping in the City's name.

*Custodial Credit Risk - Investments.* For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy does not address this risk. To limit its exposure, the City requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts and a written custodial agreement. At year-end, the City's investment in the Illinois Funds, IPRIME and IMET was not subject to custodial credit risk.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy requires the City to diversify its investments by security type and institution. The policy states that no more than 25% of its investments may be invested in any individual financial holding or investment and no financial institution may be responsible for more than 45% of the City's investment portfolio. U.S. Treasuries may not exceed 50%, commercial paper may not exceed 25%, and IL Funds or other money market securities may not exceed 35% of the City's investment portfolio.

At year-end, the City does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Notes to the Financial Statements

April 30, 2024

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**DEPOSITS AND INVESTMENTS - Continued**

**Police Pension Fund**

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

*Deposits.* The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$677,142 and the bank balances totaled \$677,312.

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

For investments, the Fund's investment policy limits its exposure by requiring all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party custodian, in the name of the respective Fund, and evidences by safekeeping receipts.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The District's investment policy does not specifically addresses concentration risk. At year-end, the City have investments over 5 percent of the total cash and investment portfolio in insurance contract in AXA Equitable - Non-Brokered Securities of \$1,218,585.

*Investments.* At year-end the Fund has \$15,426,813 invested in IPOPIF. The pooled investments consist of the investments as noted in the target allocation table available at [www.ipopif.org](http://www.ipopif.org). Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year-end. The fund may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF. The Fund also has \$3,348,583 invested in insurance contracts (Level 2).

*Investment Policy.* IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

Notes to the Financial Statements

April 30, 2024

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**DEPOSITS AND INVESTMENTS - Continued**

**Police Pension Fund - Continued**

**Rate of Return**

For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.42%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Firefighters' Pension Fund**

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual comprehensive financial report. For additional information on IFPIF's investments, please refer to their annual comprehensive financial report, which can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at [www.ifpif.org](http://www.ifpif.org).

*Deposits.* The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's deposits totaled \$710,434 and the bank balances totaled \$712,533.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank, and evidenced by safekeeping receipts. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For investments, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third-party custodian and evidenced by safekeeping receipts.

*Investments.* At year-end the Fund has \$13,104,981 invested in IFPIF. The pooled investments consist of the investments as noted in the target allocation table available at [www.ifpif.org](http://www.ifpif.org). Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year-end. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

Notes to the Financial Statements

April 30, 2024

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NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Continued

*Investment Policy.* IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

Rate of Return

For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.73%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

North Chicago Public Library

*Deposits.* At year-end, the carrying amount of the Library's deposits for governmental totaled \$1,393,849 and the bank balances totaled \$1,393,749.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Library limits its exposure to interest rate risk by limiting investment maturities to no more than three years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds, and mutual bonds to the top two ratings issued by nationally recognized statistical rating organizations. At year-end, the Library did not have any investments.

*Custodial Credit Risk - Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's investment policy states that deposits should in excess of FDIC be collateralized with collateral held by an independent third party in the name of the Library. At year-end, all of the deposits were covered by FDIC insurance or collateral held by the Library or safekeeping in the Library's name.

*Custodial Credit Risk - Investments.* For an investment, this is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library's investment policy does not address this risk. At year-end, the Library did not have any investments.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. The Library's investment policy requires the City to diversity its investments by security type and institution. Which the exception of U.S. Treasury securities and authorized pools, such as the Illinois Funds, no more than 75% of the Library total investment portfolio will be invested in a single security type or with a single financial institution.

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### DEPOSITS AND INVESTMENTS - Continued

##### North Chicago Public Library - Continued

*Concentration Risk - Continued.* At year-end, the Library does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

#### PROPERTY TAXES

Property taxes for 2023 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and August 1 during the following year. The County collects such taxes and remits them periodically.

#### INTERFUND BALANCES

Interfund balances are the result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Improvement	\$ 100
General	Nonmajor Governmental	1,115,937
Nonmajor Governmental	General	19,921
Water, Sewer and Refuse	General	89,614
Internal Service	General	697
		<u>1,226,269</u>

#### INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
Capital Improvement	General	\$ 1,003,788

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



# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### CAPITAL ASSETS

##### Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 728,006	—	—	728,006
Construction in Progress	525,171	793,447	360,384	958,234
	<u>1,253,177</u>	<u>793,447</u>	<u>360,384</u>	<u>1,686,240</u>
Depreciable Capital Assets				
Land Improvements	2,697,216	—	—	2,697,216
Buildings and Improvements	5,053,518	360,384	—	5,413,902
Infrastructure	44,469	—	—	44,469
Machinery and Equipment	7,463,202	859,828	—	8,323,030
	<u>15,258,405</u>	<u>1,220,212</u>	<u>—</u>	<u>16,478,617</u>
Less Accumulated Depreciation				
Land Improvements	723,192	128,476	—	851,668
Buildings and Improvements	3,162,509	136,391	—	3,298,900
Infrastructure	3,705	1,482	—	5,187
Machinery and Equipment	5,512,003	281,519	—	5,793,522
	<u>9,401,409</u>	<u>547,868</u>	<u>—</u>	<u>9,949,277</u>
Total Net Depreciable Capital Assets	<u>5,856,996</u>	<u>672,344</u>	<u>—</u>	<u>6,529,340</u>
Total Net Capital Assets	<u>7,110,173</u>	<u>1,465,791</u>	<u>360,384</u>	<u>8,215,580</u>

Depreciation expense was charged to governmental activities as follows:

General Government and Administration	\$ 276,865
Public Safety	105,885
Economic Development	93,990
Highways and Streets	<u>71,128</u>
	<u>547,868</u>

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### CAPITAL ASSETS - Continued

##### Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 4,491	10,000	—	14,491
Construction in Progress	762,457	2,825,716	—	3,588,173
	766,948	2,835,716	—	3,602,664
Depreciable Capital Assets				
Land Improvements	219,773	—	—	219,773
Buildings	8,570,265	—	—	8,570,265
Machinery and Equipment	5,241,851	404,303	147,080	5,499,074
Underground Equipment	29,821,849	—	—	29,821,849
	43,853,738	404,303	147,080	44,110,961
Less Accumulated Depreciation				
Land Improvements	137,993	13,099	—	151,092
Buildings	5,498,300	165,743	—	5,664,043
Machinery and Equipment	4,633,234	110,824	147,080	4,596,978
Underground Equipment	18,639,938	416,604	—	19,056,542
	28,909,465	706,270	147,080	29,468,655
Total Net Depreciable Capital Assets	14,944,273	(301,967)	—	14,642,306
Total Net Capital Assets	15,711,221	2,533,749	—	18,244,970

Depreciation expense of \$706,270 was charged to the Water, Sewer and Refuse Fund.

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### CAPITAL ASSETS - Continued

##### Component Unit - North Chicago Public Library

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 71,966	—	—	71,966
Depreciable Capital Assets				
Land Improvements	9,400	—	—	9,400
Buildings and Improvements	1,335,401	—	—	1,335,401
Machinery and Equipment	98,357	—	—	98,357
	1,443,158	—	—	1,443,158
Less Accumulated Depreciation				
Land Improvements	9,400	—	—	9,400
Buildings and Improvements	883,042	28,734	—	911,776
Machinery and Equipment	98,357	—	—	98,357
	990,799	28,734	—	1,019,533
Total Net Depreciable Capital Assets	452,359	(28,734)	—	423,625
Total Net Capital Assets	524,325	(28,734)	—	495,591

Depreciation expense of \$28,734 was charged to the Library's culture and recreation function.

#### LONG-TERM DEBT

##### General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### LONG-TERM DEBT - Continued

##### General Obligation Bonds - Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$8,860,000 General Obligation Bonds of 2007C dated August 15, 2007, due in annual installments of \$195,000 to \$910,000 plus interest at 5.81% to 6.01% through November 1, 2027.	Downtown TIF Redevelopment Project Area Debt Service 2007C	\$ 4,065,000	—	720,000	3,345,000

##### IEPA Loans Payable

The City has entered into loan agreements with the IEPA to provide low interest financing for sewer and water improvements. The repayment schedule for IEPA Loans of 2023 is not available as of the date of this report. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$1,752,856 IEPA Loan of 2011, due in semi-annual installments of \$57,875 through October 20, 2030. This loan is non-interest bearing.	Water, Sewer, and Refuse	\$ 434,064	—	57,876	376,188
\$3,914,309 IEPA Loan of 2023 due in semi-annual installments, including 0.93% interest through September 27, 2054.	Water, Sewer, and Refuse	—	3,914,309	1,250,000 *	2,664,309
		434,064	3,914,309	1,307,876	3,040,497

\*Loan amount forgiven by the State of Illinois.

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### LONG-TERM DEBT - Continued

##### Notes Payable

The City enters into notes payable for the acquisition of capital equipment. Notes payable are direct obligations and pledge the full faith and credit of the City. Notes payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$3,960,126 Note Payable of 2021, due in monthly installments of \$33,001 through January 1, 2031. This note is non-interest bearing.	General	\$ 3,399,108	—	396,013	3,003,095

##### Tax Increment Financing Notes Payable

The City signed a note for with Brems Realty, LLC in the amount of \$1,700,000 at a non-interest bearing note. These notes will only be paid if there are incremental real estate taxes (paid from the Skokie Highway Tax Increment Financing #3 Fund) from which to pay it. Tax increment financing notes currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Tax Increment Financing Notes Payable of 2020 - Due from incremental real estate taxes, when available, non interest bearing.	Skokie Highway TIF #3	\$ 1,528,153	—	28,856	1,499,297

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### LONG-TERM DEBT - Continued

##### Installment Contract Payable

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$43,262 Installment Contract of 2022 - due in monthly installments of \$904 at zero percent interest through April 1, 2026.	General	\$ 32,537	—	10,846	21,691
\$38,238 Installment Contract of 2022A - due in monthly installments of \$799 at zero percent interest through April 1, 2026.	General	28,758	—	9,586	19,172
\$38,238 Installment Contract of 2022B - due in monthly installments of \$799 at zero percent interest through April 1, 2026.	General	28,758	—	9,586	19,172
\$38,665 Installment Contract of 2022C - due in monthly installments of \$806 at zero percent interest through May 1, 2026.	General	29,824	—	9,673	20,151
\$61,076 Installment Contract of 2022D - due in monthly installments of \$1,032 at zero percent interest through October 1, 2027.	General	55,740	—	12,387	43,353
\$70,363 Installment Contract of 2023 - due in monthly installments of \$1,191 at zero percent interest through January 1, 2028.	General	67,901	—	14,295	53,606

**CITY OF NORTH CHICAGO, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2024**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT - Continued**

**Installment Contract Payable - Continued**

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$62,445 Installment Contract of 2023A - due in monthly installments of \$1,041 at zero percent interest through February 1, 2028.	General	\$ 60,364	—	12,489	47,875
\$43,845 Installment Contract of 2023B - due in monthly installments of \$930 at zero percent interest through March 1, 2027.	General	43,695	—	11,156	32,539
\$268,549 Installment Contract of 2023C - due in monthly installments of \$4,476 at zero percent interest through October 30, 2028.	General	—	268,549	31,331	237,218
\$262,877 Installment Contract of 2023D - due in monthly installments of \$4,381 at zero percent interest through October 30, 2028.	General	—	262,877	30,669	232,208
\$65,124 Installment Contract of 2024 - due in monthly installments of \$1,356 at zero percent interest through January 11, 2028.	General	—	65,124	5,427	59,697
		347,577	596,550	157,445	786,682

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### LONG-TERM DEBT - Continued

##### Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due Within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 1,887,333	93,275	186,550	1,794,058	358,812
Net Pension Liability/(Asset) - IMRF	402,042	—	1,081,210	(679,168)	—
Net Pension Liability - Police Pension	47,760,630	2,665,777	—	50,426,407	—
Net Pension Liability - Firefighters' Pension	24,268,347	—	439,527	23,828,820	—
Total OPEB Liability - RBP	4,745,299	—	297,587	4,447,712	186,965
General Obligation Bonds	4,065,000	—	720,000	3,345,000	765,000
Notes Payable	3,399,108	—	396,013	3,003,095	396,013
TIF Notes Payable	1,528,153	—	28,856	1,499,297	—
Installment Contracts Payable	347,577	596,550	157,445	786,682	212,584
Lawsuit Settlement Liability	50,400	—	7,800	42,600	—
Pollution Remediation Liability	6,388,741	—	—	6,388,741	—
	<u>94,842,630</u>	<u>3,355,602</u>	<u>3,314,988</u>	<u>94,883,244</u>	<u>1,919,374</u>
<b>Business-Type Activities</b>					
Compensated Absences	134,496	26,788	53,576	107,708	21,542
Net Pension Liability/(Asset) - IMRF	167,126	—	475,329	(308,203)	—
Total OPEB Liability - RBP	357,669	140,156	—	497,825	20,916
IEPA Loans Payable	434,064	3,914,309	1,307,876	3,040,497	57,876
	<u>1,093,355</u>	<u>4,081,253</u>	<u>1,836,781</u>	<u>3,337,827</u>	<u>100,334</u>
<b>Component Unit - North Chicago Public Library</b>					
Compensated Absences	28,748	11,938	5,969	34,717	6,943
Net Pension Liability/(Asset) - IMRF	49,902	—	133,695	(83,793)	—
Total OPEB Liability - RBP	213,261	—	18,328	194,933	8,189
	<u>291,911</u>	<u>11,938</u>	<u>157,992</u>	<u>145,857</u>	<u>15,132</u>



# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### LONG-TERM DEBT - Continued

##### Long-Term Liability Activity - Continued

For governmental activities, the net pension liabilities/(asset), and the total OPEB liability are generally liquidated by the General Fund. The general obligation bonds are being liquidated by the debt service funds. The General Fund makes payments on the notes payable, the installment contracts payable, and the lawsuit settlement liability. The Skokie Highway TIF #3 makes payments on the TIF notes payable.

For business-type activities, the net pension liability/(asset), and total OPEB liability are being liquidated by the Water, Sewer and Refuse Fund. The Water, Sewer and Refuse Fund makes payments on the general obligation bonds and the IEPA loans payable.

##### Pollution Remediation

The City has recognized an obligation to clean up environmental contamination on blighted land located within the Sheridan TIF District in accordance with federal, state, and/or local requirements. The estimated amount to clean up the environmental contamination is \$6,388,741 based on estimates prepared by the Illinois Environmental Protection Agency. The estimates have the potential to change based on price increases or reductions, technology, or applicable laws or regulations.

##### Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities						Business-Type Activities	
	General		Notes Payable		Installment		IEPA Loans*	
	Obligation Bonds				Contracts Payable			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 765,000	178,046	396,013	—	212,584	—	57,876	—
2026	810,000	130,718	396,013	—	212,583	—	57,876	—
2027	860,000	80,534	396,013	—	172,769	—	57,876	—
2028	910,000	27,346	396,013	—	144,460	—	57,876	—
2029	—	—	396,013	—	44,286	—	57,876	—
2030	—	—	396,013	—	—	—	57,876	—
2031	—	—	396,013	—	—	—	28,932	—
2032	—	—	231,004	—	—	—	—	—
	3,345,000	416,644	3,003,095	—	786,682	—	376,188	—

\*IEPA Loan of 2023 is not available as of the date of the report.

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### LONG-TERM DEBT - Continued

##### Legal Debt Margin

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

#### NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2024:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 8,215,580
Less Capital Related Debt:	
General Obligation Bonds of 2007C	(3,345,000)
Installment Contracts Payable	(786,682)
Accounts Payable	(659,819)
Retainage Payable	(59,344)
Net Investment in Capital Assets	<u>3,364,735</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	18,244,970
Less Capital Related Debt:	
IEPA Loan Payable	(3,040,497)
Retainage Payable	(260,562)
Net Investment in Capital Assets	<u>14,943,911</u>

Notes to the Financial Statements

April 30, 2024

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**FUND BALANCE CLASSIFICATIONS**

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

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

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

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

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

*Minimum Fund Balance Policy.* The City has established a fund balance policy for the General Fund. The policy requires unassigned fund balance to be maintained in the General Fund equivalent to 30% - 40% of total expenditures including transfers out. Any fund balance in the General Fund in excess of the maximum can be assigned for nonrecurring expenditures or transferred to the Capital Improvement Fund for future capital needs.

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

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### FUND BALANCE CLASSIFICATIONS - Continued

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

		Debt Service				
		Downtown TIF Redevelopment Project Area Debt Service	Downtown TIF Redevelopment Project Area Debt Service	Capital Projects Capital Improvement	Nonmajor	Totals
	General	2007B	2014A			
Fund Balances						
Nonspendable						
Land Held for Resale	\$ 58,235	—	—	—	3,451,419	3,509,654
Prepays	994,185	—	—	—	79,875	1,074,060
	1,052,420	—	—	—	3,531,294	4,583,714
Restricted						
Public Safety	—	—	—	—	123,143	123,143
Economic Development	—	—	—	—	1,392	1,392
Highways and Streets	—	—	—	—	3,129,757	3,129,757
Debt Service	—	2,346	1,750,951	—	274,216	2,027,513
Capital Projects	—	—	—	—	1,287,981	1,287,981
	—	2,346	1,750,951	—	4,816,489	6,569,786
Unassigned	22,468,281	—	—	(900,159)	(1,339,564)	20,228,558
Total Fund Balances	23,520,701	2,346	1,750,951	(900,159)	7,008,219	31,382,058

### NOTE 4 - OTHER INFORMATION

#### RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health; natural disasters; illness of employees; and injuries to the City's employees. The City purchases third party indemnity insurance for employee health, dental, and vision. There have been no significant changes in insurance coverage purchased compared to the prior year. For those exposures covered by insurance policies, settled claims have not exceeded the insurance coverage purchased for each of the past three fiscal periods.

# **CITY OF NORTH CHICAGO, ILLINOIS**

## **Notes to the Financial Statements**

**April 30, 2024**

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### **NOTE 4 - OTHER INFORMATION - Continued**

#### **COMMITMENTS**

##### **Construction Commitments**

The City has certain contracts for various funds for construction projects which were in progress at April 30, 2024. Remaining commitments under these contracts approximated \$10,267,343.

##### **Tax Rebate Agreements**

The City of North Chicago has entered into various tax rebate agreements with local developers and corporations under municipal code. Under these agreements, the City rebates a portions of sales and TIF taxes. For the fiscal year ended April 30, 2024, the City rebated a total of \$232,422 in taxes under these agreements.

#### **CONTINGENT LIABILITIES**

##### **Litigation**

During fiscal year 2006, the City reached a settlement for an alleged wrongful termination of a former employee. Under this agreement, the City is required to make monthly payments for the rest of the former employee's life. The estimated present value of these future settlement payments of \$42,600 has been recorded as a liability at April 30, 2024. From time to time, the City is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

##### **Grants**

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

#### **EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS**

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, and the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. Separate reports are issued for the Police Pension Plan and the Firefighters' Pension Plan and may be obtained by writing to the City at 1850 Lewis Avenue, North Chicago, Illinois 60064. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

The aggregate amounts recognized for the three pension plans are:

	Net Pension Liability/ (Asset)	Deferred Outflows	Deferred Inflows	Pension Expense/ (Revenue)
IMRF				
City	\$ (987,371)	1,461,520	84,229	(940,413)
Library	(83,793)	124,031	7,148	(76,125)
Police Pension	50,426,407	7,313,688	20,531,308	3,326,121
Firefighters' Pension	23,828,820	4,387,497	8,669,840	(81,417)
	<u>73,184,063</u>	<u>13,286,736</u>	<u>29,292,525</u>	<u>2,228,166</u>

#### Illinois Municipal Retirement Fund (IMRF)

##### Plan Descriptions

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

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

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

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

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### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

##### Plan Descriptions - Continued

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

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

*Plan Membership.* As of December 31, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefits	116
Inactive plan members entitled to but not yet receiving benefits	66
Active plan members	<u>62</u>
Total	<u><u>244</u></u>

*Contributions.* As set by statute, the City's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2024, the City's contribution was 3.07% of covered payroll.

*Net Pension Liability/(Asset).* The City's net pension liability/(asset) was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

##### Illinois Municipal Retirement Fund (IMRF) - Continued

##### Plan Descriptions - Continued

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2023, using the following actuarial methods and assumptions:

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

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	24.50%	4.75%
Domestic Equities	34.50%	5.00%
International Equities	18.00%	6.35%
Real Estate	10.50%	6.30%
Blended	11.50%	6.05% - 8.65%
Cash and Cash Equivalents	1.00%	3.80%



# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

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### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

##### Illinois Municipal Retirement Fund (IMRF) - Continued

###### Discount Rate

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

###### Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City	\$ 1,932,544	(987,371)	(3,328,015)
Library	164,005	(83,793)	(282,431)
Net Pension Liability/(Asset)	2,096,549	(1,071,164)	(3,610,446)

**CITY OF NORTH CHICAGO, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2024**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Changes in the Net Pension Liability**

	City	Library	Totals
Total Pension Liability			
Service Cost	\$ 360,149	30,564	390,713
Interest	1,851,869	155,559	2,007,428
Differences Between Expected and Actual Experience	(96,022)	(8,149)	(104,171)
Change of Assumptions	(12,332)	(1,047)	(13,379)
Benefit Payments, Including Refunds of Member Contributions	(1,516,474)	(128,695)	(1,645,169)
Net Change in Total Pension Liability	587,190	48,232	635,422
Total Pension Liability - Beginning	26,591,565	1,682,949	28,274,514
Total Pension Liability - Ending	27,178,755	1,731,181	28,909,936
Plan Fiduciary Net Position			
Contributions - Employer	117,843	10,001	127,844
Contributions - Members	168,133	14,269	182,402
Net Investment Income	2,828,212	240,015	3,068,227
Benefit Payments, Including Refunds of Member Contributions	(1,516,474)	(128,695)	(1,645,169)
Other (Net Transfer)	546,015	46,337	592,352
Net Change in Plan Fiduciary Net Position	2,143,729	181,927	2,325,656
Plan Net Position - Beginning	26,022,397	1,633,047	27,655,444
Plan Net Position - Ending	28,166,126	1,814,974	29,981,100
Employer's Net Pension (Asset)	(987,371)	(83,793)	(1,071,164)

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

##### Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended April 30, 2024, the City recognized pension revenue of \$940,413, and the Library recognized pension revenue of \$76,125. At April 30, 2024, the City and Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	City		Library		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	(77,129)	—	(6,546)	(83,675)
Change in Assumptions	—	(7,100)	—	(602)	(7,702)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,422,608	—	120,729	—	1,543,337
	1,422,608	(84,229)	120,729	(7,148)	1,451,960
Pension Contributions Made Subsequent to the Measurement Date	38,912	—	3,302	—	42,214
Total Deferred Amounts Related to IMRF	1,461,520	(84,229)	124,031	(7,148)	1,494,174

\$42,214 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability/(asset) in the reporting year ended April 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources		
	City	Library	Totals
2025	\$ 41,295	3,504	44,799
2026	461,003	39,123	500,126
2027	1,037,070	88,011	1,125,081
2028	(200,989)	(17,057)	(218,046)
2029	—	—	—
Thereafter	—	—	—
Total	1,338,379	113,581	1,451,960

## Notes to the Financial Statements

April 30, 2024

## NOTE 4 - OTHER INFORMATION - Continued

## EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

## Police Pension Plan

## Plan Descriptions

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

*Plan Membership.* At April 30, 2024, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	50
Inactive Plan Members Entitled to but not yet Receiving Benefits	27
Active Plan Members	<u>39</u>
Total	<u><u>116</u></u>

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

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

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

## Notes to the Financial Statements

April 30, 2024

**NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued****Police Pension Plan - Continued****Plan Descriptions - Continued**

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2024, the City's contribution was 81.31% of covered payroll.

*Concentrations.* At year end, the Pension Plan does not have investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2024, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal (Level %)
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	2.93% - 11.45%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates were based on the PubS-2010(A) Study adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate.

Notes to the Financial Statements

April 30, 2024

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Police Pension Plan - Continued**

**Discount Rate**

A Single Discount Rate of 7.00% was used to measure the total pension liability, the 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 contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**Discount Rate Sensitivity**

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 59,978,717	50,426,407	42,622,221

**CITY OF NORTH CHICAGO, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2024**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Police Pension Plan - Continued**

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2023	\$ 64,818,225	17,057,595	47,760,630
Changes for the Year:			
Service Cost	851,203	—	851,203
Interest on the Total Pension Liability	4,402,556	—	4,402,556
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	3,367,353	—	3,367,353
Changes of Assumptions	—	—	—
Contributions - Employer	—	3,860,080	(3,860,080)
Contributions - Employees	—	387,614	(387,614)
Contributions - Other	—	2,926	(2,926)
Net Investment Income	—	1,767,428	(1,767,428)
Benefit Payments, including Refunds of Employee Contributions	(3,563,322)	(3,563,322)	—
Administrative Expenses	—	(62,713)	62,713
Net Changes	5,057,790	2,392,013	2,665,777
Balances at April 30, 2024	69,876,015	19,449,608	50,426,407

**CITY OF NORTH CHICAGO, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2024**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Police Pension Plan - Continued**

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

For the year ended April 30, 2024, the City recognized pension revenue of \$3,326,121. At April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 2,758,870	(2,578,347)	180,523
Change in Assumptions	4,374,964	(17,952,961)	(13,577,997)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	179,854	—	179,854
Total Deferred Amounts Related to Police Pension	7,313,688	(20,531,308)	(13,217,620)

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2025	\$ (6,689,503)
2026	(7,119,011)
2027	701,202
2028	(110,308)
2029	—
Thereafter	—
Total	(13,217,620)



## Notes to the Financial Statements

April 30, 2024

## NOTE 4 - OTHER INFORMATION - Continued

## EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

## Firefighters' Pension Plan

## Plan Descriptions

*Plan Administration.* The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City Mayor, one member is elected by pension beneficiaries and two members are elected by active fire employees.

*Plan Membership.* At April 30, 2024, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	31
Inactive plan members entitled to but not yet receiving benefits	15
Active plan members	<u>27</u>
Total	<u><u>73</u></u>

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

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

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}$  percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

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### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

##### Firefighters' Pension Plan - Continued

##### Plan Descriptions - Continued

*Contributions.* Covered employees are required to contribute 9.455% of their base salary to the Firefighters' 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 City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2024, the City's contribution was 87.36% of covered payroll.

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

##### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2024, using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal (Level %)
Asset valuation method	Fair Value
Actuarial assumptions	
Interest rate	7.00%
Salary increases	2.64% - 10.88%
Cost of living adjustments	2.25%
Inflation	2.25%

Mortality rates were based on the PubS-2010(A) Study adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate

##### Discount Rate

A Single Discount Rate of 7.00% was used to measure the total pension liability, 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 contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

##### Firefighters' Pension Plan - Continued

##### Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 29,228,908	23,828,820	19,443,319

##### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2023	\$ 36,217,472	11,949,125	24,268,347
Changes for the year:			
Service Cost	543,304	—	543,304
Interest on the Total Pension Liability	2,467,029	—	2,467,029
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	219,018	—	219,018
Changes of Assumptions	—	—	—
Contributions - Employer	—	2,171,446	(2,171,446)
Contributions - Employees	—	240,994	(240,994)
Contributions - Other	—	8,036	(8,036)
Net Investment Income	—	1,299,197	(1,299,197)
Benefit Payments, Including Refunds of Employee Contributions	(1,798,520)	(1,798,520)	—
Other (Net Transfer)	—	(50,795)	50,795
Net changes	1,430,831	1,870,358	(439,527)
Balances at April 30, 2024	37,648,303	13,819,483	23,828,820

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

##### Firefighters' Pension Plan - Continued

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

For the year ended April 30, 2024, the City recognized pension revenue of \$81,417. At April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference between expected and actual experience	\$ 1,493,939	(1,060,627)	433,312
Change in assumptions	2,799,942	(7,609,213)	(4,809,271)
Net difference between projected and actual earnings on pension plan investments	93,616	—	93,616
Total deferred amounts related to Firefighters' Pension	4,387,497	(8,669,840)	(4,282,343)

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2025	\$ (2,238,086)
2026	(1,199,867)
2027	(801,708)
2028	(45,265)
2029	2,583
Thereafter	—
Total	(4,282,343)

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

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### NOTE 4 - OTHER INFORMATION - Continued

#### OTHER POST-EMPLOYMENT BENEFITS

##### General Information about the OPEB Plan

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

*Benefits Provided.* The City provides pre- and post-Medicare post-employment health insurance benefits to its retirees and their spouses. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans unless a PSEBA. Elected officials are eligible for benefits if they qualify for retirement through Illinois Municipal Retirement Fund. All non-PSEBA members pay contribution rates equal to the premiums.

The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; an prescriptions. Upon a retiree reaching 65 years of age, Medicare become the primary insurer and the City's plan becomes secondary.

*Plan Membership.* As of April 30, 2024, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	20
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>131</u>
Total	<u><u>151</u></u>

##### Total OPEB Liability

The City's total OPEB liability was measured as of April 30, 2024 and was determined by an actuarial valuation as of April 30, 2024.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the April 30, 2024 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	4.00%
Discount Rate	4.22%
Healthcare Cost Trend Rates	Initial trend rate of 6.00% in 2024 with and ultimate trend rate of 4.50% in years 2041 and later.
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 4 - OTHER INFORMATION - Continued

#### OTHER POST-EMPLOYMENT BENEFITS - Continued

##### Total OPEB Liability - Continued

*Actuarial Assumptions and Other Inputs - Continued.* The discount rate was based on S&P Municipal Bond Index with a maturity of 20 years.

Mortality rates were based on the PubG.H-2010(B) with improvements using Scale MP-2020.

##### Change in the Total OPEB Liability

	City	Library	Totals
Balance at April 30, 2023	\$ 5,102,968	213,261	5,316,229
Changes for the Year:			
Service Cost	37,830	1,491	39,321
Interest on the Total OPEB Liability	219,105	(3,486)	215,619
Difference Between Expected and Actual Experience	—	—	—
Changes of Assumptions or Other Inputs	(206,490)	(8,139)	(214,629)
Benefit Payments	(207,876)	(8,194)	(216,070)
Net changes	(157,431)	(18,328)	(175,759)
Balance at April 30, 2024	4,945,537	194,933	5,140,470

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 4.22%, while the prior valuation used 4.14%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (3.22%)	Current Discount Rate (4.22%)	1% Increase (5.22%)
City	\$ 4,303,442	4,945,537	5,771,194
Library	169,624	194,933	227,477
Total OPEB Liability	4,473,066	5,140,470	5,998,671

# CITY OF NORTH CHICAGO, ILLINOIS

## Notes to the Financial Statements

April 30, 2024

### NOTE 4 - OTHER INFORMATION - Continued

#### OTHER POST-EMPLOYMENT BENEFITS - Continued

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

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

	1% Decrease (Varies)	Healthcare Trend Rates (Varies)	1% Increase (Varies)
City	\$ 5,785,968	4,945,537	4,282,275
Library	228,059	194,933	168,790
Total OPEB Liability	6,014,027	5,140,470	4,451,065

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

For the year ended April 30, 2024, the City recognized OPEB expense of \$337,474, and the Library recognized OPEB expense of \$971. At April 30, 2024, the City and Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	City		Library		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	(539,787)	—	(21,276)	(561,063)
Change in Assumptions	1,882,735	(1,717,135)	74,210	(67,682)	172,128
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—	—	—
Total Deferred Amounts Related to OPEB	1,882,735	(2,256,922)	74,210	(88,958)	(388,935)

**CITY OF NORTH CHICAGO, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2024**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

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

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources		
	City	Library	Totals
2025	\$ 80,339	3,167	83,506
2026	80,339	3,167	83,506
2027	(52,519)	(2,070)	(54,589)
2028	(153,643)	(6,056)	(159,699)
2029	(305,460)	(12,040)	(317,500)
Thereafter	(23,243)	(916)	(24,159)
Total	(374,187)	(14,748)	(388,935)



## **REQUIRED SUPPLEMENTARY INFORMATION**

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

- Schedule Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund - Last Ten Fiscal Years
  - Firefighters' Pension Fund - Last Ten Fiscal Years
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
  - Illinois Municipal Retirement Fund
  - Police Pension Fund - Last Ten Fiscal Years
  - Firefighters' Pension Fund - Last Ten Fiscal Years
- Schedule of Investment Returns - Last Ten Fiscal Years
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
  - Retiree Benefit Plan
- Budgetary Comparison Schedule
  - General Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

**CITY OF NORTH CHICAGO, ILLINOIS**

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
April 30, 2024**

Fiscal Year		Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	Totals	\$ 424,834	\$ 421,862	\$ (2,972)	\$ 4,627,821	9.12%
2017	Totals	411,883	421,048	9,165	4,669,874	9.02%
2018	Totals	463,986	463,986	—	5,143,963	9.02%
2019	Totals	456,774	456,774	—	5,336,150	8.56%
2020	Totals	328,902	335,211	6,309	4,908,990	6.83%
2021	Totals	379,488	379,488	—	4,244,842	8.94%
2022	Totals	309,749	309,749	—	3,828,335	8.09%
2023	Totals	200,450	200,450	—	3,835,703	5.23%
2024	City	114,559	114,559	—	3,736,293	3.07%
	Library	9,722	9,722	—	317,079	3.07%
	Totals	124,281	124,281	—	4,053,372	3.07%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	eligibility condition. Last updated for the 2020 valuation pursuant to
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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

# CITY OF NORTH CHICAGO, ILLINOIS

## Police Pension Fund

### Schedule of Employer Contributions - Last Ten Fiscal Years

April 30, 2024

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,706,664	\$ 871,239	\$ (835,425)	\$ 4,321,523	20.16%
2016	1,731,260	1,119,364	(611,896)	4,313,455	25.95%
2017	1,974,935	1,245,337	(729,598)	4,204,648	29.62%
2018	2,368,071	1,340,164	(1,027,907)	4,351,811	30.80%
2019	2,743,966	2,074,877	(669,089)	3,966,822	52.31%
2020	2,894,959	1,631,561	(1,263,398)	4,239,961	38.48%
2021	3,082,436	2,131,165	(951,271)	4,687,717	45.46%
2022	3,536,474	1,978,193	(1,558,281)	4,186,033	47.26%
2023	3,556,299	2,163,650	(1,392,649)	4,383,046	49.36%
2024	3,502,997	3,860,080	357,083	4,747,162	81.31%

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	90% Funded over 18 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.93% - 11.45%
Investment Rate of Return	7.13%
Retirement Age	See the Notes to the Financial Statements
Mortality	Pub-2010 adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described

**CITY OF NORTH CHICAGO, ILLINOIS**

**Firefighters' Pension Fund**

**Schedule of Employer Contributions - Last Ten Fiscal Years**

**April 30, 2024**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 853,872	\$ 612,133	\$ (241,739)	\$ 2,267,983	26.99%
2016	910,002	702,086	(207,916)	2,356,214	29.80%
2017	880,492	788,096	(92,396)	2,387,259	33.01%
2018	1,034,154	998,114	(36,040)	2,470,813	40.40%
2019	1,235,584	1,401,723	166,139	2,778,373	50.45%
2020	1,530,152	1,105,680	(424,472)	2,625,739	42.11%
2021	1,609,490	1,504,416	(105,074)	2,765,493	54.40%
2022	1,836,106	1,600,000	(236,106)	2,572,678	62.19%
2023	1,962,455	1,750,000	(212,455)	2,825,731	61.93%
2024	1,757,985	2,171,446	413,461	2,485,554	87.36%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar (Closed)
Remaining Amortization Period	18 years
Asset Valuation Method	5-Year Smoothed Fair value
Inflation	2.25%
Salary Increases	2.64% - 10.88%
Investment Rate of Return	7.13%
Retirement Age	See the Notes to the Financial Statements
Mortality	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described

# CITY OF NORTH CHICAGO, ILLINOIS

## Illinois Municipal Retirement Fund

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

April 30, 2024

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 496,614	477,467	527,252
Interest	1,595,969	1,686,673	1,754,501
Differences Between Expected and Actual Experience	135,340	(234,768)	496,693
Change of Assumptions	27,111	(27,863)	(821,061)
Benefit Payments, Including Refunds of Member Contributions	(980,356)	(1,031,753)	(1,072,356)
Net Change in Total Pension Liability	1,274,678	869,756	885,029
Total Pension Liability - Beginning	21,521,458	22,796,136	23,665,892
Total Pension Liability - Ending	22,796,136	23,665,892	24,550,921
Plan Fiduciary Net Position			
Contributions - Employer	\$ 421,862	421,048	463,986
Contributions - Members	266,754	210,159	231,479
Net Investment Income	109,525	1,474,443	3,965,076
Benefit Payments, Including Refunds of Member Contributions	(980,356)	(1,031,753)	(1,072,356)
Other (Net Transfer)	(487,761)	76,347	(341,468)
Net Change in Plan Fiduciary Net Position	(669,976)	1,150,244	3,246,717
Plan Net Position - Beginning	22,050,828	21,380,852	22,531,096
Plan Net Position - Ending	21,380,852	22,531,096	25,777,813
Employer's Net Pension Liability/(Asset)	\$ 1,415,284	1,134,796	(1,226,892)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.79%	95.20%	105.00%
Covered Payroll	\$ 4,627,821	4,669,874	5,143,963
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	30.58%	24.30%	(23.85%)

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017 and 2023.

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

Totals					12/31/2023		
12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	City	Library	Totals
548,419	547,796	512,356	389,170	368,811	360,149	30,564	390,713
1,813,605	1,902,000	1,959,495	1,940,555	1,971,737	1,851,869	155,559	2,007,428
285,360	(116,087)	(836,373)	(287,650)	(294,662)	(96,022)	(8,149)	(104,171)
757,516	—	(201,520)	—	—	(12,332)	(1,047)	(13,379)
(1,287,468)	(1,415,548)	(1,630,340)	(1,636,890)	(1,566,689)	(1,516,474)	(128,695)	(1,645,169)
2,117,432	918,161	(196,382)	405,185	479,197	587,190	48,232	635,422
24,550,921	26,668,353	27,586,514	27,390,132	27,795,317	26,591,565	1,682,949	28,274,514
26,668,353	27,586,514	27,390,132	27,795,317	28,274,514	27,178,755	1,731,181	28,909,936
456,774	335,211	379,488	346,995	242,664	117,843	10,001	127,844
269,498	221,003	194,388	175,645	167,998	168,133	14,269	182,402
(1,398,107)	4,536,102	3,941,597	5,147,345	(4,341,933)	2,828,212	240,015	3,068,227
(1,287,468)	(1,415,548)	(1,630,340)	(1,636,890)	(1,566,689)	(1,516,474)	(128,695)	(1,645,169)
309,344	(148,271)	(630,052)	(460,109)	(331,014)	546,015	46,337	592,352
(1,649,959)	3,528,497	2,255,081	3,572,986	(5,828,974)	2,143,729	181,927	2,325,656
25,777,813	24,127,854	27,656,351	29,911,432	33,484,418	26,022,397	1,633,047	27,655,444
24,127,854	27,656,351	29,911,432	33,484,418	27,655,444	28,166,126	1,814,974	29,981,100
2,540,499	(69,837)	(2,521,300)	(5,689,101)	619,070	(987,371)	(83,793)	(1,071,164)
90.47%	100.25%	109.21%	120.47%	97.81%	103.63%	104.84%	103.71%
5,336,150	4,908,990	4,244,842	3,903,209	3,733,292	3,736,293	317,079	4,053,372
47.61%	(1.42%)	(59.40%)	(145.75%)	16.58%	(26.43%)	(26.43%)	(26.43%)

# CITY OF NORTH CHICAGO, ILLINOIS

## Police Pension Fund

### Schedule of Changes in the Employer's Net Pension Liability - Last Ten Fiscal Years

April 30, 2024

	4/30/2015	4/30/2016	4/30/2017
Total Pension Liability			
Service cost	\$ 1,964,836	2,102,749	2,077,064
Interest	2,616,283	2,486,868	3,495,010
Changes of Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	—	980,066	882,242
Change of Assumptions	—	13,134,903	(8,324,912)
Benefit Payments, Including Refunds of Member Contributions	(2,286,321)	(2,328,436)	(2,437,558)
Net Change in Total Pension Liability	2,294,798	16,376,150	(4,308,154)
Total Pension Liability - Beginning	67,378,186	69,672,984	86,049,134
Total Pension Liability - Ending	69,672,984	86,049,134	81,740,980
Plan Fiduciary Net Position			
Contributions - Employer	\$ 871,239	1,119,364	1,245,337
Contributions - Members	449,402	474,366	422,719
Contributions - Other	—	—	4,502
Net Investment Income	854,260	(951,249)	1,225,102
Benefit Payments, Including Refunds of Member Contributions	(2,286,322)	(2,328,436)	(2,437,558)
Administrative Expense	(54,681)	(58,334)	(52,857)
Net Change in Plan Fiduciary Net Position	(166,102)	(1,744,289)	407,245
Plan Net Position - Beginning	16,652,507	16,486,405	14,742,116
Plan Net Position - Ending	16,486,405	14,742,116	15,149,361
Employer's Net Pension Liability	\$ 53,186,579	71,307,018	66,591,619
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	23.66%	17.13%	18.53%
Covered Payroll	\$ 4,321,523	4,313,455	4,204,648
Employer's Net Pension Liability as a Percentage of Covered Payroll	1,230.74%	1,653.13%	1,583.76%

*Changes of Assumptions:* Changes of assumptions related to the discount rate were made in 2016 through 2024.

4/30/2018	4/30/2019	4/30/2020	4/30/2021	4/30/2022	4/30/2023	4/30/2024
2,162,639	2,001,215	1,769,787	2,921,273	2,396,555	1,692,642	851,203
3,311,058	3,460,534	3,689,710	3,527,900	3,502,406	3,925,633	4,402,556
—	—	404,320	—	—	(71,504)	—
24,748	(453,236)	609,119	(1,409,879)	(6,658,288)	418,847	3,367,353
(1,858,694)	(7,313,198)	25,408,469	(4,368,056)	(13,448,677)	(24,925,258)	—
(2,750,999)	(2,793,059)	(2,911,005)	(2,820,621)	(3,068,708)	(3,298,428)	(3,563,322)
888,752	(5,097,744)	28,970,400	(2,149,383)	(17,276,712)	(22,258,068)	5,057,790
81,740,980	82,629,732	77,531,988	106,502,388	104,353,005	87,076,293	64,818,225
82,629,732	77,531,988	106,502,388	104,353,005	87,076,293	64,818,225	69,876,015
1,340,164	2,074,877	1,631,561	2,131,165	1,978,193	2,163,650	3,860,080
391,043	380,089	405,485	447,914	462,546	406,963	387,614
—	—	—	—	—	57,460	2,926
1,044,192	1,009,187	(142,088)	4,272,721	(321,925)	173,888	1,767,428
(2,750,999)	(2,793,059)	(2,911,005)	(2,820,621)	(3,068,708)	(3,298,428)	(3,563,322)
(50,720)	(57,945)	(97,012)	(51,359)	(50,831)	(48,164)	(62,713)
(26,320)	613,149	(1,113,059)	3,979,820	(1,000,725)	(544,631)	2,392,013
15,149,361	15,123,041	15,736,190	14,623,131	18,602,951	17,602,226	17,057,595
15,123,041	15,736,190	14,623,131	18,602,951	17,602,226	17,057,595	19,449,608
67,506,691	61,795,798	91,879,257	85,750,054	69,474,067	47,760,630	50,426,407
18.30%	20.30%	13.73%	17.83%	20.21%	26.32%	27.83%
4,351,811	3,966,822	4,239,961	4,687,717	4,186,033	4,383,046	4,747,162
1,551.23%	1,557.82%	2,166.98%	1,829.25%	1,659.66%	1,089.67%	1,062.24%



**CITY OF NORTH CHICAGO, ILLINOIS**

**Firefighter's Pension Fund**

**Schedule of Changes in the Employer's Net Pension Liability - Last Ten Fiscal Years**

**April 30, 2024**

	4/30/2015	4/30/2016	4/30/2017
Total Pension Liability			
Service Cost	\$ 1,075,887	986,970	987,334
Interest	1,454,398	1,529,798	1,834,010
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	—	289,491	1,058,782
Change of Assumptions	—	2,498,444	(3,796,674)
Benefit Payments, Including Refunds of Member Contributions	(1,316,005)	(1,351,222)	(1,349,682)
Net Change in Total Pension Liability	1,214,280	3,953,481	(1,266,230)
Total Pension Liability - Beginning	35,204,263	36,418,543	40,372,024
Total Pension Liability - Ending	\$ 36,418,543	40,372,024	39,105,794
Plan Fiduciary Net Position			
Contributions - Employer	\$ 612,133	702,086	788,096
Contributions - Members	221,905	238,849	227,874
Contributions - Other	—	—	21,325
Net Investment Income	574,497	(227,014)	899,900
Benefit Payments, Including Refunds of Member Contributions	(1,316,005)	(1,351,222)	(1,349,682)
Administrative Expense	(47,172)	(62,227)	(59,543)
Prior Period Audit Adjustment	—	6,030	—
Net Change in Plan Fiduciary Net Position	45,358	(693,498)	527,970
Plan Net Position - Beginning	9,402,324	9,447,682	8,754,184
Plan Net Position - Ending	\$ 9,447,682	8,754,184	9,282,154
Employer's Net Pension Liability	\$ 26,970,861	31,617,840	29,823,640
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.94%	21.68%	23.74%
Covered Payroll	\$ 2,267,983	2,356,214	2,387,259
Employer's Net Pension Liability as a Percentage of Covered Payroll	1,189.20%	1,341.89%	1,249.28%

*Changes of Assumptions:* Changes of assumptions related to the discount rate were made in 2016 through 2024.

4/30/2018	4/30/2019	4/30/2020	4/30/2021	4/30/2022	4/30/2023	4/30/2024
1,032,949	1,130,220	790,979	1,080,817	985,103	647,678	543,304
1,773,804	1,842,246	2,052,011	2,173,465	2,157,569	2,381,843	2,467,029
—	—	290,099	—	—	(78,157)	—
18,391	1,072,746	372,655	843,541	(2,256,829)	1,192,090	219,018
(314,947)	(7,164,842)	8,290,037	(2,512,459)	(7,726,485)	(2,998,889)	—
(1,423,522)	(1,487,888)	(1,610,191)	(1,632,423)	(1,785,353)	(2,024,580)	(1,798,520)
1,086,675	(4,607,518)	10,185,590	(47,059)	(8,625,995)	(880,015)	1,430,831
39,105,794	40,192,469	35,584,951	45,770,541	45,723,482	37,097,487	36,217,472
40,192,469	35,584,951	45,770,541	45,723,482	37,097,487	36,217,472	37,648,303
998,114	1,401,723	1,105,680	1,504,416	1,600,000	1,750,000	2,171,446
245,118	258,049	243,305	260,984	243,247	244,028	240,994
16,784	—	10,972	—	—	—	8,036
504,213	923,175	(1,045,960)	3,119,053	(534,147)	154,042	1,299,197
(1,423,522)	(1,487,888)	(1,610,191)	(1,632,423)	(1,785,353)	(2,024,580)	(1,798,520)
(56,079)	(56,029)	(50,780)	(76,171)	(61,459)	(71,350)	(50,795)
—	—	—	—	—	—	—
284,628	1,039,030	(1,346,974)	3,175,859	(537,712)	52,140	1,870,358
9,282,154	9,566,782	10,605,812	9,258,838	12,434,697	11,896,985	11,949,125
9,566,782	10,605,812	9,258,838	12,434,697	11,896,985	11,949,125	13,819,483
30,625,687	24,979,139	36,511,703	33,288,785	25,200,502	24,268,347	23,828,820
23.80%	29.80%	20.23%	27.20%	32.07%	32.99%	36.71%
2,470,813	2,778,373	2,625,739	2,765,493	2,572,678	2,825,731	2,485,554
1,239.50%	899.06%	1,390.53%	1,203.72%	979.54%	858.83%	958.69%

**CITY OF NORTH CHICAGO, ILLINOIS**

**Police Pension Fund**

**Schedule of Investment Returns - Last Ten Fiscal Years**

**April 30, 2024**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	4.78%
2016	(6.79%)
2017	8.53%
2018	7.47%
2019	6.83%
2020	(1.25%)
2021	31.20%
2022	(4.79%)
2023	0.86%
2024	1.42%

**CITY OF NORTH CHICAGO, ILLINOIS**

**Firefighters' Pension Fund**

**Schedule of Investment Returns - Last Ten Fiscal Years**

**April 30, 2024**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	6.05%
2016	(6.07%)
2017	7.96%
2018	4.72%
2019	9.74%
2020	(14.73%)
2021	31.45%
2022	(7.42%)
2023	6.19%
2024	1.73%

# CITY OF NORTH CHICAGO, ILLINOIS

## Retiree Benefit Plan

### Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2024

	Totals	
	4/30/2019	4/30/2020
Total OPEB Liability		
Service Cost	\$ 39,565	42,455
Interest	153,133	171,617
Differences Between Expected and Actual Experience	(187,427)	—
Change of Assumptions or Other Inputs	317,714	351,061
Benefit Payments	(172,442)	(189,483)
Other Changes	985,746	17,622
Net Change in Total OPEB Liability	1,136,289	393,272
Total OPEB Liability - Beginning	4,304,769	5,441,058
Total OPEB Liability - Ending	5,441,058	5,834,330
Covered-Employee Payroll	\$ 10,021,401	10,021,401
Total OPEB Liability as a Percentage of Employee-Covered Payroll	54.29%	58.22%

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

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

*Changes of Assumptions.* Changes of assumptions related to the discount rate were made in 2019 through 2024.

			4/30/2024		
4/30/2021	4/30/2022	4/30/2023	City	Library	Totals
47,619	56,652	40,282	37,830	1,491	39,321
163,471	142,880	216,467	219,105	(3,486)	215,619
(536,435)	—	(336,711)	—	—	—
2,608,098	(2,346,515)	66,623	(206,490)	(8,139)	(214,629)
(196,982)	(224,923)	(218,627)	(207,876)	(8,194)	(216,070)
—	—	—	—	—	—
2,085,771	(2,371,906)	(231,966)	(157,431)	(18,328)	(175,759)
5,834,330	7,920,101	5,548,195	5,102,968	213,261	5,316,229
7,920,101	5,548,195	5,316,229	4,945,537	194,933	5,140,470
10,749,251	11,179,115	10,577,445	10,583,217	417,147	11,000,364
73.68%	49.63%	50.26%	46.73%	46.73%	46.73%

# CITY OF NORTH CHICAGO, ILLINOIS

## General Fund

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

For the Fiscal Year Ended April 30, 2024

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 18,117,415	18,117,415	18,664,481
Intergovernmental	8,142,010	8,142,010	8,903,736
Charges for Services	3,326,750	3,326,750	2,348,515
Licenses and Permits	597,700	597,700	722,118
Fines and Forfeitures	259,500	259,500	258,402
Investment Income	45,000	45,000	660,135
Miscellaneous	751,210	751,210	1,441,326
Total Revenues	31,239,585	31,239,585	32,998,713
Expenditures			
General Government and Administration	5,489,265	5,489,265	5,456,667
Public Safety	19,818,796	19,818,796	19,061,969
Economic Development	1,261,210	1,261,210	1,198,102
Highways and Streets	3,248,365	3,248,365	2,734,534
Capital Outlay	283,861	283,861	846,477
Debt Service			
Principal Retirement	49,940	49,940	561,258
Interest and Fiscal Charges	4,745	4,745	—
Total Expenditures	30,156,182	30,156,182	29,859,007
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,083,403	1,083,403	3,139,706
Other Financing Sources (Uses)			
Disposal of Capital Assets	11,000	11,000	60
Debt Issuance	—	—	596,550
Transfers In	32,000	32,000	—
Transfers Out	—	—	(1,003,788)
	43,000	43,000	(407,178)
Change in Fund Balance	1,126,403	1,126,403	2,732,528
Fund Balance - Beginning as Restated			20,788,173
Fund Balance - Ending			23,520,701

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Enterprise Fund
- Combining Statements - Internal Service Funds
- Budgetary Comparison Schedules - Internal Service Funds
- Combining Statements - Pension Trust Funds
- Component Unit - Statement of Net Position and Combining Balance Sheet
- Component Unit - Statement of Activities and Combining Statement of Revenues, Expenditures and Changes in Fund Balance
- Component Unit - Budgetary Comparison Schedule



## **INDIVIDUAL FUND SCHEDULES**

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### **GENERAL FUND**

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

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### **SPECIAL REVENUE FUNDS**

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

#### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for revenue from the state gasoline tax restricted by the state for roadway improvements and maintenance.

#### **Grant Fund**

The Grant Fund is used to account for grant revenues and eligible grant-related expenditures.

#### **Community Development Block Grant Fund**

The Community Development Block Grant Fund is used to account for revenue and expenditures associated with the CDBG. The grant is provided by the U.S. Department of Housing and Urban Development to develop urban communities by expanding economic opportunities and providing decent housing, suitable living environment, and improvements to sanitary sewer system. The beneficiaries of CDBG must be individuals with low and/or moderate incomes.

#### **Federal Forfeited Property (DEA) Fund**

The Federal Forfeited Property (DEA) Fund is used to account for the asset forfeiture program. Forfeiture is used as a tool in order to deter, disrupt, and dismantle criminal enterprises by depriving criminals of property used in or acquired through illegal activities.

#### **Seized Drug Money (State) Fund**

The Seized Drug Money (State) Fund is restricted for drug prevention and awareness programs administered by the North Chicago Police Department. The City receives a percentage of money back any time there is a drug arrest and money is recovered.

## **INDIVIDUAL FUND SCHEDULES - Continued**

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### **SPECIAL REVENUE FUNDS - Continued**

#### **Grant Place Fund**

The Grant Place Fund is used for the Grant Place building improvements.

#### **Grant Place Operating Fund**

The Grant Place Operating Fund is used for the daily utilities, maintenance of building and grounds at Grant Place.

#### **Sheridan Crossing TIF Redevelopment Project Area Operating Fund**

The Sheridan Crossing TIF Redevelopment Project Area Operating Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the tax increment financing district.

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### **DEBT SERVICE FUNDS**

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

#### **Downtown TIF Redevelopment Project Area Debt Service 2007B Fund**

The Downtown TIF Redevelopment Project Area Debt Service 2007B Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the tax increment financing district.

#### **Downtown TIF Redevelopment Project Area Debt Service 2014A Fund**

The Downtown TIF Redevelopment Project Area Debt Service 2014A Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the tax increment financing district.

#### **Downtown TIF Redevelopment Project Area Debt Service 2007A Fund**

The Downtown TIF Redevelopment Project Area Debt Service 2007A Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the tax increment financing district.

#### **Grant Place Retail Center Debt Service 2007C Fund**

The Grant Place Retail Center Debt Service 2007C Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the tax increment financing district.

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## **INDIVIDUAL FUND SCHEDULES - Continued**

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### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for all resources used for the acquisition of capital assets by the City, except those financed by Proprietary and Trust Funds, including general and infrastructure capital assets.

#### **Capital Improvement Fund**

The Capital Improvement Fund is used to fund city building improvements, infrastructure, vehicle and large equipment purchases.

#### **Downtown TIF Redevelopment Project Area Fund**

The Downtown TIF Redevelopment Project Area Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the tax increment financing district.

#### **Skokie Highway TIF III Fund**

The Skokie Highway TIF III Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the tax increment financing district.

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### **ENTERPRISE FUND**

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

#### **Water, Sewer and Refuse Fund**

The Water, Sewer and Refuse Fund is used to account for the provision of water, sewer and refuse services to the individual residents and commercial entities of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, financing and related debt service, and billing and collections.

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## **INDIVIDUAL FUND SCHEDULES - Continued**

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### **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

#### **Dental and Vision Fund**

The Dental and Vision Fund is used to account for dental and vision insurance premiums provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

#### **Retiree's Premium Fund**

The Retiree's Premium Fund is used to account for retiree's insurance premiums provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

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### **FIDUCIARY FUNDS**

#### **PENSION TRUST FUND**

##### **Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to pay pension costs. Resources are contributed by members at rates fixed by state statutes and by the City which uses the annual property tax levy to fund the employer contribution.

##### **Firefighters' Pension Fund**

The Firefighters' Pension Fund is used to account for the accumulation of resources to pay pension costs. Resources are contributed by members at rates fixed by state statutes and by the City which uses the annual property tax levy to fund the employer contribution.

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**CITY OF NORTH CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual**

**For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 10,647,915	10,647,915	10,453,371
State Use Taxes	1,200,000	1,200,000	1,160,146
Utility Taxes	1,880,000	1,880,000	1,936,877
Hotel/Motel Taxes	300,000	300,000	293,975
Video Gaming Taxes	715,000	715,000	704,086
Telecommunications Taxes	470,000	470,000	361,884
Other Taxes	1,704,500	1,704,500	2,046,965
Home Rule Sales Taxes	1,200,000	1,200,000	1,707,177
Total Taxes	18,117,415	18,117,415	18,664,481
Intergovernmental			
State Income Taxes	4,500,000	4,500,000	5,035,697
State Sales Taxes	1,555,000	1,555,000	1,869,478
Replacement Taxes	522,000	522,000	752,129
Foreign Fire Taxes	91,010	91,010	—
Grants	289,000	289,000	236,124
Other	1,185,000	1,185,000	1,010,308
Total Intergovernmental	8,142,010	8,142,010	8,903,736
Charges for Services	3,326,750	3,326,750	2,348,515
Licenses and Permits	597,700	597,700	722,118
Fines and Forfeitures	259,500	259,500	258,402
Investment Income	45,000	45,000	660,135
Miscellaneous	751,210	751,210	1,441,326
Total Revenues	31,239,585	31,239,585	32,998,713

**CITY OF NORTH CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual**

**For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
General Government and Administration			
Mayor's Office			
Salaries and Wages	\$ 286,000	286,000	321,088
Employee Benefits	68,360	68,360	48,682
Employee - Other	33,700	33,700	32,052
Professional Services	144,400	144,400	18,024
Purchased Services	975	975	1,399
Utilities	2,750	2,750	2,057
Commodities	5,200	5,200	5,006
Other Expenditures	34,470	34,470	35,222
	575,855	575,855	463,530
City Clerk's Office			
Salaries and Wages	147,925	147,925	152,691
Employee Benefits	40,545	40,545	32,818
Employee - Other	2,020	2,020	601
Professional Services	750	750	—
Purchased Services	9,510	9,510	6,058
Commodities	3,150	3,150	1,309
Other Expenditures	200	200	—
	204,100	204,100	193,477
Legislative			
Salaries and Wages	77,000	77,000	77,311
Employee Benefits	58,220	58,220	62,887
Employee - Other	4,350	4,350	2,810
Other Expenditures	103,000	103,000	32,089
	242,570	242,570	175,097
City Treasurer			
Salaries and Wages	18,000	18,000	23,000
Employee Benefits	8,040	8,040	9,850
Employee - Other	7,850	7,850	8,104
Purchased Services	525	525	1,008
Commodities	800	800	602
Other Expenditures	3,100	3,100	2,921
	38,315	38,315	45,485

**CITY OF NORTH CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**

**For the Fiscal Year Ended April 30, 2024**

	Budget		
	Original	Final	Actual
General Government and Administration - Continued			
Comptroller's Office			
Salaries and Wages	\$ 468,890	468,890	282,759
Employee Benefits	171,735	171,735	85,760
Employee - Other	5,170	5,170	2,125
Professional Services	200,760	200,760	282,151
Purchased Services	2,170	2,170	703
Commodities	4,250	4,250	1,497
Other Expenditures	14,500	14,500	23,633
	867,475	867,475	678,628
Board and Commissions			
Salaries and Wages	20,200	20,200	9,110
Employee Benefits	1,385	1,385	697
Employee - Other	3,125	3,125	400
Professional Services	64,500	64,500	84,003
Purchased Services	2,400	2,400	—
Other Expenditures	500	500	240
	92,110	92,110	94,450
Administrative Services			
Employee - Other	170	170	—
Professional Services	547,740	547,740	312,627
Purchased Services	168,900	168,900	43,477
Insurance	1,444,000	1,444,000	2,397,665
Utilities	88,600	88,600	41,028
Other Expenditures	439,950	439,950	373,488
	2,689,360	2,689,360	3,168,285
Human Resources			
Salaries and Wages	158,185	158,185	133,674
Employee Benefits	36,625	36,625	21,284
Employee - Other	21,125	21,125	9,620
Professional Services	8,070	8,070	21,062
Purchased Services	22,875	22,875	39,960
Insurance	13,000	13,000	13,103
Utilities	600	600	370
Commodities	970	970	2,699
	261,450	261,450	241,772

**CITY OF NORTH CHICAGO, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**

**For the Fiscal Year Ended April 30, 2024**

	Budget		
	Original	Final	Actual
Information Technology			
Professional Services	\$ 370,000	370,000	293,243
Purchased Services	101,475	101,475	36,823
Utilities	39,005	39,005	55,817
Commodities	7,550	7,550	9,801
Other Expenditures	—	—	259
	518,030	518,030	395,943
Total General Government and Administration	5,489,265	5,489,265	5,456,667
Public Safety			
Police Department			
Salaries and Wages	6,372,830	6,372,830	5,728,467
Employee Benefits	4,717,196	4,717,196	4,832,193
Employee - Other	161,000	161,000	150,010
Professional Services	160,000	160,000	159,083
Purchased Services	923,255	923,255	818,074
Insurance	4,200	4,200	4,344
Utilities	30,500	30,500	31,183
Commodities	136,000	136,000	109,066
Other Expenditures	207,370	207,370	50,327
	12,712,351	12,712,351	11,882,747
Fire Department			
Salaries and Wages	3,149,190	3,149,190	3,190,588
Employee Benefits	3,390,730	3,390,730	3,556,097
Employee - Other	101,835	101,835	58,588
Professional Services	4,265	4,265	6,822
Purchased Services	248,460	248,460	217,569
Utilities	6,900	6,900	9,148
Commodities	59,000	59,000	62,320
Equipment	43,245	43,245	42,623
Other Expenditures	102,820	102,820	35,467
	7,106,445	7,106,445	7,179,222
Total Public Safety	19,818,796	19,818,796	19,061,969



# CITY OF NORTH CHICAGO, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2024

	Budget		Actual
	Original	Final	
Economic Development			
Building Division			
Salaries and Wages	\$ 658,300	658,300	421,716
Employee Benefits	312,940	312,940	433,818
Employee - Other	12,270	12,270	7,479
Professional Services	157,000	157,000	283,028
Purchased Services	69,100	69,100	28,171
Utilities	4,000	4,000	1,829
Commodities	12,700	12,700	5,130
Other Expenditures	34,900	34,900	16,931
	1,261,210	1,261,210	1,198,102
Highways and Streets			
Street Operations			
Salaries and Wages	1,073,635	1,073,635	900,036
Employee Benefits	299,920	299,920	232,288
Employee - Other	36,980	36,980	30,325
Professional Services	192,623	192,623	211,134
Purchased Services	1,400,553	1,400,553	1,128,332
Utilities	4,000	4,000	3,367
Commodities	121,000	121,000	122,195
Other Expenditures	119,654	119,654	106,857
Total Highways and Streets	3,248,365	3,248,365	2,734,534
Capital Outlay	283,861	283,861	846,477
Debt Service			
Principal Retirement	49,940	49,940	561,258
Interest and Fiscal Charges	4,745	4,745	—
Total Debt Service	54,685	54,685	561,258
Total Expenditures	30,156,182	30,156,182	29,859,007

**CITY OF NORTH CHICAGO, ILLINOIS**

**Capital Improvement - Capital Projects Fund**

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

**For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ —	—	470,406
Miscellaneous	8,589,000	8,589,000	—
Total Revenues	8,589,000	8,589,000	470,406
Expenditures			
Capital Outlay	15,106,142	15,106,142	1,490,196
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,517,142)	(6,517,142)	(1,019,790)
Other Financing Sources			
Disposal of Capital Assets	15,000	15,000	—
Debt Issuance	230,400	230,400	—
Transfers In	1,003,788	1,003,788	1,003,788
	1,249,188	1,249,188	1,003,788
Change in Fund Balance	(5,267,954)	(5,267,954)	(16,002)
Fund Balance - Beginning			(884,157)
Fund Balance - Ending			(900,159)

# CITY OF NORTH CHICAGO, ILLINOIS

## Nonmajor Governmental Funds

### Combining Balance Sheet

April 30, 2024

	Special Revenue	Debt Service	Capital Projects	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 3,307,561	274,216	1,297,828	4,879,605
Receivables - Net of Allowances				
Taxes	—	—	990,509	990,509
Other	5,237	—	—	5,237
Due from Other Governments	118,065	—	—	118,065
Due from Other Funds	19,715	—	206	19,921
Land Held for Resale	3,300,000	—	151,419	3,451,419
Prepays	79,875	—	—	79,875
Total Assets	6,830,453	274,216	2,439,962	9,544,631
<b>LIABILITIES</b>				
Accounts Payable	384,837	—	53	384,890
Retainage Payable	43,976	—	—	43,976
Other Liabilities	1,100	—	—	1,100
Due to Other Funds	1,105,937	—	10,000	1,115,937
Total Liabilities	1,535,850	—	10,053	1,545,903
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	—	—	990,509	990,509
Total Liabilities and Deferred Inflows of Resources	1,535,850	—	1,000,562	2,536,412
<b>FUND BALANCES</b>				
Nonspendable	3,379,875	—	151,419	3,531,294
Restricted	3,254,292	274,216	1,287,981	4,816,489
Unassigned	(1,339,564)	—	—	(1,339,564)
Total Fund Balances	5,294,603	274,216	1,439,400	7,008,219
Total Liabilities, Deferred Inflows of Resources and Fund Balances	6,830,453	274,216	2,439,962	9,544,631

**CITY OF NORTH CHICAGO, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

**For the Fiscal Year Ended April 30, 2024**

	Special Revenue	Debt Service	Capital Projects	Totals
Revenues				
Taxes	\$ —	34,410	486,167	520,577
Intergovernmental	1,402,809	—	—	1,402,809
Investment Income	223,651	—	91,683	315,334
Miscellaneous	674,907	—	—	674,907
Total Revenues	2,301,367	34,410	577,850	2,913,627
Expenditures				
Public Safety	4,900	—	—	4,900
Economic Development	963,348	—	2,455	965,803
Highways and Streets	413,864	—	—	413,864
Capital Outlay	1,783,609	—	—	1,783,609
Debt Service				
Principal Retirement	—	720,000	28,856	748,856
Interest and Fiscal Charges	—	345,759	—	345,759
Total Expenditures	3,165,721	1,065,759	31,311	4,262,791
Excess (Deficiency) of Revenues Over (Under) Expenditures	(864,354)	(1,031,349)	546,539	(1,349,164)
Other Financing Sources (Uses)				
Disposal of Capital Asset	(520,000)	—	52	(519,948)
Change in Fund Balances	(1,384,354)	(1,031,349)	546,591	(1,869,112)
Fund Balances - Beginning	6,678,957	1,305,565	892,809	8,877,331
Fund Balances - Ending	5,294,603	274,216	1,439,400	7,008,219

**CITY OF NORTH CHICAGO, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**  
**Combining Balance Sheet**  
**April 30, 2024**

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**See Following Page**

**CITY OF NORTH CHICAGO, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**April 30, 2024**

	Motor Fuel Tax	Grant	Community Development Block Grant
<b>ASSETS</b>			
Cash and Investments	\$ 3,183,116	—	—
Receivables - Net of Allowances			
Other	—	—	—
Due from Other Governments	118,065	—	—
Due from Other Funds	11,711	7,914	—
Land Held for Resale	—	—	—
Prepays	—	79,875	—
Total Assets	3,312,892	87,789	—
<b>LIABILITIES</b>			
Accounts Payable	139,159	95,119	150,559
Retainage Payable	43,976	—	—
Other Liabilities	—	—	—
Due to Other Funds	—	731,503	335,093
Total Liabilities	183,135	826,622	485,652
<b>FUND BALANCES</b>			
Nonspendable	—	79,875	—
Restricted	3,129,757	—	—
Unassigned	—	(818,708)	(485,652)
Total Fund Balances	3,129,757	(738,833)	(485,652)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	3,312,892	87,789	—

Federal Forfeited Property (DEA)	Seized Drug Money (State)	Grant Place	Grant Place Operating	Sheridan Crossing TIF Redevelopment Project Area Operating	Totals
72,872	50,181	1,392	—	—	3,307,561
—	—	—	2,220	3,017	5,237
—	—	—	—	—	118,065
90	—	—	—	—	19,715
—	—	—	—	3,300,000	3,300,000
—	—	—	—	—	79,875
72,962	50,181	1,392	2,220	3,303,017	6,830,453
—	—	—	—	—	384,837
—	—	—	—	—	43,976
—	—	—	1,100	—	1,100
—	—	—	4,500	34,841	1,105,937
—	—	—	5,600	34,841	1,535,850
—	—	—	—	3,300,000	3,379,875
72,962	50,181	1,392	—	—	3,254,292
—	—	—	(3,380)	(31,824)	(1,339,564)
72,962	50,181	1,392	(3,380)	3,268,176	5,294,603
72,962	50,181	1,392	2,220	3,303,017	6,830,453

**CITY OF NORTH CHICAGO, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

**For the Fiscal Year Ended April 30, 2024**

	Motor Fuel Tax	Grant	Community Development Block Grant
Revenues			
Intergovernmental	\$ 698,087	128,566	572,106
Investment Income	222,312	—	1,188
Miscellaneous	674,907	—	—
Total Revenues	1,595,306	128,566	573,294
Expenditures			
Public Safety	—	—	—
Economic Development	—	188,412	773,606
Highways and Streets	413,864	—	—
Capital Outlay	1,578,644	197,240	—
Total Expenditures	1,992,508	385,652	773,606
Excess (Deficiency) of Revenues Over (Under) Expenditures	(397,202)	(257,086)	(200,312)
Other Financing Sources			
Disposal of Capital Assets	—	—	—
Change in Fund Balances	(397,202)	(257,086)	(200,312)
Fund Balances - Beginning	3,526,959	(481,747)	(285,340)
Fund Balances - Ending	3,129,757	(738,833)	(485,652)



Federal Forfeited Property (DEA)	Seized Drug Money (State)	Grant Place	Grant Place Operating	Sheridan Crossing TIF Redevelopment Project Area Operating	Totals
—	4,050	—	—	—	1,402,809
145	6	—	—	—	223,651
—	—	—	—	—	674,907
145	4,056	—	—	—	2,301,367
4,900	—	—	—	—	4,900
—	—	—	—	1,330	963,348
—	—	—	—	—	413,864
—	7,725	—	—	—	1,783,609
4,900	7,725	—	—	1,330	3,165,721
(4,755)	(3,669)	—	—	(1,330)	(864,354)
—	—	(520,000)	—	—	(520,000)
(4,755)	(3,669)	(520,000)	—	(1,330)	(1,384,354)
77,717	53,850	521,392	(3,380)	3,269,506	6,678,957
72,962	50,181	1,392	(3,380)	3,268,176	5,294,603

**CITY OF NORTH CHICAGO, ILLINOIS****Motor Fuel Tax - Special Revenue Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 690,000	690,000	698,087
Investment Income	40,000	40,000	222,312
Miscellaneous	500,000	500,000	674,907
Total Revenues	1,230,000	1,230,000	1,595,306
Expenditures			
Highways and Streets			
Purchased Services	187,500	187,500	13,438
Utilities	170,000	170,000	316,757
Commodities	120,500	120,500	83,669
Capital Outlay	1,689,000	1,689,000	1,578,644
Total Expenditures	2,167,000	2,167,000	1,992,508
Change in Fund Balance	(937,000)	(937,000)	(397,202)
Fund Balance - Beginning			3,526,959
Fund Balance - Ending			3,129,757

**CITY OF NORTH CHICAGO, ILLINOIS****Grant - Special Revenue Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 4,203,975	4,203,975	128,566
Expenditures			
Economic Development			
Purchased Services	8,972	8,972	—
Other Expenditures	255,000	255,000	188,412
Capital Outlay	5,653,975	5,653,975	197,240
Total Expenditures	5,917,947	5,917,947	385,652
Change in Fund Balance	(1,713,972)	(1,713,972)	(257,086)
Fund Balance - Beginning			(481,747)
Fund Balance - Ending			(738,833)

**CITY OF NORTH CHICAGO, ILLINOIS****Community Development Block Grant - Special Revenue Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 751,951	751,951	572,106
Investment Income	—	—	1,188
Total Revenues	751,951	751,951	573,294
Expenditures			
Economic Development			
Purchased Services	154,030	154,030	773,606
Change in Fund Balance	597,921	597,921	(200,312)
Fund Balance - Beginning			(285,340)
Fund Balance - Ending			(485,652)

**CITY OF NORTH CHICAGO, ILLINOIS**

**Federal Forfeited Property (DEA) - Special Revenue Fund**

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

**For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ —	—	145
Expenditures			
Public Safety			
Other Expenditures	—	—	4,900
Capital Outlay	77,630	77,630	—
Total Expenditures	77,630	77,630	4,900
Change in Fund Balance	(77,630)	(77,630)	(4,755)
Fund Balance - Beginning			77,717
Fund Balance - Ending			72,962

**CITY OF NORTH CHICAGO, ILLINOIS**

**Seized Drug Money (State) - Special Revenue Fund**

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

**For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Seized Funds	\$ —	—	4,050
Investment Income	—	—	6
Total Revenues	—	—	4,056
Expenditures			
Capital Outlay	78,537	78,537	7,725
Change in Fund Balance	(78,537)	(78,537)	(3,669)
Fund Balance - Beginning			53,850
Fund Balance - Ending			50,181

**CITY OF NORTH CHICAGO, ILLINOIS**

**Nonmajor Governmental - Debt Service Funds**

**Combining Balance Sheet**

**April 30, 2024**

	Downtown TIF Redevelopment Project Area Debt Service 2007A	Grant Place Retail Center Debt Service 2007C	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 489	273,727	274,216
<b>LIABILITIES</b>			
Accounts Payable	—	—	—
<b>FUND BALANCES</b>			
Restricted	489	273,727	274,216
Total Liabilities and Fund Balances	489	273,727	274,216

**CITY OF NORTH CHICAGO, ILLINOIS**

**Nonmajor Governmental - Debt Service Funds**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

**For the Fiscal Year Ended April 30, 2024**

	Downtown TIF Redevelopment Project Area Debt Service 2007A	Grant Place Retail Center Debt Service 2007C	Totals
Revenues			
Taxes	\$ —	34,410	34,410
Expenditures			
Debt Service			
Principal Retirement	—	720,000	720,000
Interest and Fiscal Charges	—	345,759	345,759
Total Expenditures	—	1,065,759	1,065,759
Change in Fund Balances	—	(1,031,349)	(1,031,349)
Fund Balances - Beginning	489	1,305,076	1,305,565
Fund Balances - Ending	489	273,727	274,216



**CITY OF NORTH CHICAGO, ILLINOIS****Grant Place Retail Center Debt Service 2007C - Debt Service Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ —	—	34,410
Investment Income	1,000	1,000	—
Total Revenues	1,000	1,000	34,410
Expenditures			
Debt Service			
Principal Retirement	720,000	720,000	720,000
Interest and Fiscal Charges	245,657	245,657	345,759
Total Expenditures	965,657	965,657	1,065,759
Change in Fund Balance	(964,657)	(964,657)	(1,031,349)
Fund Balance - Beginning			1,305,076
Fund Balance - Ending			273,727

# CITY OF NORTH CHICAGO, ILLINOIS

## Nonmajor Governmental - Capital Projects Funds Combining Balance Sheet April 30, 2024

	Downtown TIF Redevelopment Project Area	Skokie Highway TIF III	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 38,021	1,259,807	1,297,828
Receivables - Net of Allowances			
Taxes	—	990,509	990,509
Due from Other Funds	—	206	206
Land Held for Resale	151,419	—	151,419
Total Assets	189,440	2,250,522	2,439,962
<b>LIABILITIES</b>			
Accounts Payable	—	53	53
Due to Other Funds	10,000	—	10,000
Total Liabilities	10,000	53	10,053
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	—	990,509	990,509
Total Liabilities and Deferred Inflows of Resources	10,000	990,562	1,000,562
<b>FUND BALANCE</b>			
Nonspendable	151,419	—	151,419
Restricted	28,021	1,259,960	1,287,981
Total Fund Balances	179,440	1,259,960	1,439,400
Total Liabilities, Deferred Inflows of Resources and Fund Balance	189,440	2,250,522	2,439,962

**CITY OF NORTH CHICAGO, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

**For the Fiscal Year Ended April 30, 2024**

	Downtown TIF Redevelopment Project Area	Skokie Highway TIF III	Totals
Revenues			
Taxes	\$ —	486,167	486,167
Investment Income	9,443	82,240	91,683
Total Revenues	9,443	568,407	577,850
Expenditures			
Economic Development	—	2,455	2,455
Debt Service			
Principal Retirement	—	28,856	28,856
Total Expenditures	—	31,311	31,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,443	537,096	546,539
Other Financing Sources			
Disposal of Capital Assets	52	—	52
Change in Fund Balances	9,495	537,096	546,591
Fund Balances - Beginning	169,945	722,864	892,809
Fund Balances - Ending	179,440	1,259,960	1,439,400

**CITY OF NORTH CHICAGO, ILLINOIS**

**Downtown TIF Redevelopment Project Area - Capital Projects Fund**

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

**For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 15	15	9,443
Expenditures			
Economic Development			
Professional Services	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	15	15	9,443
Other Financing Sources			
Disposal of Capital Assets	—	—	52
Change in Fund Balance	15	15	9,495
Fund Balance - Beginning			169,945
Fund Balance - Ending			179,440

**CITY OF NORTH CHICAGO, ILLINOIS**

**Skokie Highways TIF III - Capital Projects Fund**

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

**For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 425,000	425,000	486,167
Investment Income	3,000	3,000	82,240
Total Revenues	428,000	428,000	568,407
Expenditures			
Economic Development			
Professional Services	60,000	60,000	2,455
Debt Service			
Principal Retirement	27,072	27,072	28,856
Total Expenditures	87,072	87,072	31,311
Change in Fund Balance	340,928	340,928	537,096
Fund Balance - Beginning			722,864
Fund Balance - Ending			1,259,960

**CITY OF NORTH CHICAGO, ILLINOIS**

**Water, Sewer, and Refuse - Enterprise Fund**

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

**For the Fiscal Year Ended April 30, 2024**

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Water	\$ 5,099,605	5,099,605	5,006,964
Sewer	1,347,725	1,347,725	1,331,133
Refuse	867,000	867,000	1,021,896
Miscellaneous	10,000	10,000	29,851
Total Operating Revenues	7,324,330	7,324,330	7,389,844
Operating Expenses			
Water	16,148,710	16,148,710	4,378,243
Sewer	611,995	611,995	465,076
Refuse	960,000	960,000	1,007,221
Depreciation	—	—	706,270
Total Operating Expenses	17,720,705	17,720,705	6,556,810
Operating Income (Loss)	(10,396,375)	(10,396,375)	833,034
Nonoperating Revenues (Expenses)			
Investment Income	14,000	14,000	583,140
Debt Issuance	9,000,000	9,000,000	—
Other Income	—	—	245,696
Principal Retirement	(3,510)	(3,510)	—
Interest Expense	(58,625)	(58,625)	(1,201)
	8,951,865	8,951,865	827,635
Income (Loss) Before Capital Grants and Capital Contributions	(1,444,510)	(1,444,510)	1,660,669
Capital Grants	500,000	500,000	—
Capital Contributions	—	—	1,250,000
	500,000	500,000	1,250,000
Change in Net Position	(944,510)	(944,510)	2,910,669
Net Position - Beginning			23,613,261
Net Position - Ending			26,523,930

**CITY OF NORTH CHICAGO, ILLINOIS****Water, Sewer, and Refuse - Enterprise Fund  
Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Operating Expenses			
Water			
Salaries and Wages	\$ 1,138,740	1,138,740	1,025,400
Employee Benefits	324,180	324,180	84,627
Employee - Other	18,300	18,300	17,501
Professional Services	259,350	259,350	285,125
Purchased Services	492,000	492,000	315,592
Insurance	281,190	281,190	281,190
Utilities	561,500	561,500	741,223
Commodities	227,700	227,700	553,436
Other Expenses	12,845,750	12,845,750	1,074,149
	16,148,710	16,148,710	4,378,243
Sewer			
Salaries and Wages	216,390	216,390	141,268
Employee Benefits	43,565	43,565	64,506
Employee - Other	8,500	8,500	2,801
Professional Services	62,400	62,400	138,525
Purchased Services	197,800	197,800	62,727
Utilities	1,500	1,500	944
Commodities	79,500	79,500	50,579
Other Expenses	2,340	2,340	3,726
	611,995	611,995	465,076
Refuse			
Purchased Services	960,000	960,000	1,007,221
Depreciation Expense	—	—	706,270
Total Operating Expenses	17,720,705	17,720,705	6,556,810

**CITY OF NORTH CHICAGO, ILLINOIS**

**Internal Service Funds**

**Combining Statement of Net Position**

**April 30, 2024**

	Dental and Vision	Retiree's Premium	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 39,732	347,369	387,101
Receivables - Net of Allowances			
Accounts	502	—	502
Due from Other Funds	—	697	697
Total Current Assets	40,234	348,066	388,300
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	870	207	1,077
<b>NET POSITION</b>			
Unrestricted	39,364	347,859	387,223



**CITY OF NORTH CHICAGO, ILLINOIS**

**Internal Service Funds**

**Combining Statement of Revenues, Expenses, and Changes in Net Position**

**For the Fiscal Year Ended April 30, 2024**

	Dental and Vision	Retiree's Premium	Totals
Operating Revenues			
Charges for Services	\$ 41,798	341,224	383,022
Operating Expenses			
Premiums and Claims Payments	10,861	206,216	217,077
Operating Income	30,937	135,008	165,945
Nonoperating Revenues			
Investment Income	730	10,839	11,569
Changes in Net Position	31,667	145,847	177,514
Net Position - Beginning	7,697	202,012	209,709
Net Position - Ending	39,364	347,859	387,223

**CITY OF NORTH CHICAGO, ILLINOIS**

**Combining Statement of Cash Flows - Internal Service Funds  
For the Fiscal Year Ended April 30, 2024**

	Dental and Vision	Retiree's Premium	Totals
Cash Flows from Operating Activities			
Receipts from Interfund Services	\$ 41,798	341,224	383,022
Payments to Employees	(10,861)	—	(10,861)
Payments to Suppliers	(240)	(206,706)	(206,946)
	30,697	134,518	165,215
Cash Flows from Investing Activities			
Investment Income	730	10,839	11,569
Net Change in Cash and Cash Equivalents	31,427	145,357	176,784
Cash and Cash Equivalents - Beginning	8,305	202,012	210,317
Cash and Cash Equivalents - Ending	39,732	347,369	387,101
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income	30,937	135,008	165,945
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:			
(Increase) Decrease in Current Assets	(502)	(697)	(1,199)
Increase (Decrease) in Current Liabilities	262	207	469
Net Cash Provided by Operating Activities	30,697	134,518	165,215

**CITY OF NORTH CHICAGO, ILLINOIS**

**Dental and Vision - Internal Service Fund**

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

**For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 45,000	45,000	41,798
Operating Expenses			
Personnel Services	16,000	16,000	10,861
Operating Income	29,000	29,000	30,937
Nonoperating Revenues			
Investment Income	50	50	730
Change in Net Position	29,050	29,050	31,667
Net Position - Beginning			7,697
Net Position - Ending			39,364

**CITY OF NORTH CHICAGO, ILLINOIS****Retiree's Premium - Internal Service Fund****Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual****For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 335,900	335,900	341,224
Operating Expenses			
Premiums and Claims Payments	217,100	217,100	206,216
Operating Income	118,800	118,800	135,008
Nonoperating Revenues			
Investment Income	10	10	10,839
Change in Net Position	118,810	118,810	145,847
Net Position - Beginning			202,012
Net Position - Ending			347,859

**CITY OF NORTH CHICAGO, ILLINOIS****Pension Trust Funds****Combining Statement of Fiduciary Net Position****April 30, 2024**

	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 677,142	710,434	1,387,576
Investments			
Illinois Police Officers' Pension Investment Trust	15,426,813	—	15,426,813
Illinois Firefighters Pension Investment Trust	—	13,104,981	13,104,981
Insurance Contracts	3,348,583	—	3,348,583
Prepays	495	6,854	7,349
Total Assets	19,453,033	13,822,269	33,275,302
<b>LIABILITIES</b>			
Accounts Payable	3,425	2,545	5,970
Due to Municipality	—	241	241
	3,425	2,786	6,211
<b>NET POSITION</b>			
Net Position Restricted for Pensions	19,449,608	13,819,483	33,269,091

# CITY OF NORTH CHICAGO, ILLINOIS

## Pension Trust Funds

### Combining Statement of Changes of Fiduciary Net Position

For the Fiscal Year Ended April 30, 2024

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 3,860,080	2,171,446	6,031,526
Contributions - Plan Members	387,614	240,994	628,608
Other	2,926	8,036	10,962
Total Contributions	4,250,620	2,420,476	6,671,096
Investment Income			
Interest Earned	54,797	262,984	317,781
Net Change in Fair Value	1,720,236	1,048,966	2,769,202
	1,775,033	1,311,950	3,086,983
Less Investment Expenses	(7,605)	(12,753)	(20,358)
Net Investment Income	1,767,428	1,299,197	3,066,625
Total Additions	6,018,048	3,719,673	9,737,721
Deductions			
Administration	62,713	50,795	113,508
Benefits and Refunds	3,563,322	1,798,520	5,361,842
Total Deductions	3,626,035	1,849,315	5,475,350
Change in Fiduciary Net Position	2,392,013	1,870,358	4,262,371
Net Position Restricted for Pensions			
Beginning	17,057,595	11,949,125	29,006,720
Ending	19,449,608	13,819,483	33,269,091

**CITY OF NORTH CHICAGO, ILLINOIS**

**Component Unit - North Chicago Public Library**

**Balance Sheet and Statement of Net Position**

**April 30, 2024**

	Public Library	Adjustments	Statement of Net Position
<b>ASSETS</b>			
Cash and Investments	\$ 1,393,849	—	1,393,849
Receivables - Net of Allowances			
Taxes	804,238	—	804,238
Accounts	75,715	—	75,715
Prepays	1,952	—	1,952
Due from Other Governments	307	—	307
Capital Assets			
Nondepreciable	—	71,966	71,966
Depreciable	—	1,443,158	1,443,158
Accumulated Depreciation	—	(1,019,533)	(1,019,533)
Other Assets			
Net Pension Asset - IMRF	—	83,793	83,793
Total Assets	2,276,061	579,384	2,855,445
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	—	124,031	124,031
Deferred Items - RBP	—	74,210	74,210
Total Deferred Outflows of Resources	—	198,241	198,241
Total Assets and Deferred Outflow of Resources	2,276,061	777,625	3,053,686
<b>LIABILITIES</b>			
Accounts Payable	305,944	—	305,944
Accrued Payroll	12,339	—	12,339
Compensated Absences Payable	—	34,717	34,717
Total OPEB Liability - RBP	—	194,933	194,933
Total Liabilities	318,283	229,650	547,933
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	804,238	—	804,238
Deferred Items - IMRF	—	7,148	7,148
Deferred Items - RBP	—	88,958	88,958
Total Deferred Inflows of Resources	804,238	96,106	900,344
Total Liabilities and Deferred Inflows of Resources	1,122,521	325,756	1,448,277
<b>FUND BALANCES/NET POSITION</b>			
Investment in Capital Assets	—	495,591	495,591
Nonspendable	1,952	(1,952)	—
Unassigned	1,151,588	(1,151,588)	—
Unrestricted	—	1,109,818	1,109,818
Total Fund Balances/Net Position	1,153,540	451,869	1,605,409
Total Liabilities, Deferred Inflows of Resources and Fund Balances/Net Position	2,276,061	777,625	3,053,686

**CITY OF NORTH CHICAGO, ILLINOIS**

**Component Unit - North Chicago Public Library**

**Statement of Revenues, Expenditures and Changes in Fund Balances and Statement of Activities**

**For the Fiscal Year Ended April 30, 2024**

	Public Library	Adjustments	Statement of Activities
Revenues			
Taxes			
Property Taxes	\$ 771,606	—	771,606
Intergovernmental	47,296	—	47,296
Fines and Forfeitures	2,373	—	2,373
Investment Income	85,539	—	85,539
Miscellaneous	11,300	—	11,300
Total Revenues	918,114	—	918,114
Expenditures			
Culture and Recreation	1,050,590	(34,499)	1,016,091
Capital Outlay	23,868	(23,868)	—
Total Expenditures	1,074,458	(58,367)	1,016,091
Net Change in Fund Balance/Net Position	(156,344)	58,367	(97,977)
Fund Balance/Net Position - Beginning	1,309,884	393,502	1,703,386
Fund Balances/Net Position - Ending	1,153,540	451,869	1,605,409



**CITY OF NORTH CHICAGO, ILLINOIS**

**Component Unit - North Chicago Public Library**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**

**For the Fiscal Year Ended April 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Taxes	\$ 766,500	766,500	771,606	5,106
Intergovernmental				
Grants	85,000	85,000	47,296	(37,704)
Fines and Forfeitures	2,000	2,000	2,373	373
Investment Income	5,000	5,000	85,539	80,539
Miscellaneous	9,500	9,500	11,300	1,800
Total Revenues	868,000	868,000	918,114	50,114
Expenditures				
Culture and Recreation				
Salaries and Wages	421,000	421,000	405,252	(15,748)
Employee Benefits	138,800	138,800	119,233	(19,567)
Employee - Other	11,000	11,000	10,678	(322)
Professional Services	48,500	48,500	37,171	(11,329)
Purchased Services	87,600	87,600	134,207	46,607
Insurance	17,800	17,800	17,800	—
Utilities	11,100	11,100	10,800	(300)
Commodities	33,500	33,500	34,141	641
Other Expenditures	154,500	154,500	281,308	126,808
Capital Outlay	31,000	31,000	23,868	(7,132)
Total Expenditures	954,800	954,800	1,074,458	119,658
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,800)	(86,800)	(156,344)	(69,544)
Other Financing (Uses)				
Transfers Out	(32,000)	(32,000)	—	32,000
Net Change in Fund Balance	<u>(118,800)</u>	<u>(118,800)</u>	(156,344)	<u>(37,544)</u>
Fund Balance - Beginning			<u>1,309,884</u>	
Fund Balance - Ending			<u>1,153,540</u>	

## **SUPPLEMENTAL SCHEDULES**

## CITY OF NORTH CHICAGO, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Bonds of 2007C

April 30, 2024

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Date of Issue	August 15, 2007
Date of Maturity	November 1, 2027
Authorized Issue	\$8,860,000
Interest Rates	5.81% - 6.01%
Interest Dates	May 1 and November 1
Principal Maturity Date	November 1
Payable at	Amalgamated Bank of Chicago

#### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 765,000	178,046	943,046
2026	810,000	130,718	940,718
2027	860,000	80,534	940,534
2028	910,000	27,346	937,346
	<u>3,345,000</u>	<u>416,644</u>	<u>3,761,644</u>

## CITY OF NORTH CHICAGO, ILLINOIS

### Long-Term Debt Requirements

#### IEPA Loan of 2011

April 30, 2024

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Date of Issue	October 20, 2011
Date of Maturity	October 20, 2030
Authorized Issue	\$1,566,760
Interest Rate	Non-Interest
Interest Dates	Non-Interest
Principal Maturity Date	October 20 and April 20
Payable at	Illinois Environmental Protection Agency

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 57,876	—	57,876
2026	57,876	—	57,876
2027	57,876	—	57,876
2028	57,876	—	57,876
2029	57,876	—	57,876
2030	57,876	—	57,876
2031	28,932	—	28,932
	376,188	—	376,188

**CITY OF NORTH CHICAGO, ILLINOIS**

**Long-Term Debt Requirements**

**Note Payable of 2021**

**April 30, 2024**

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Date of Issue	December 28, 2021
Date of Maturity	January 1, 2031
Authorized Issue	\$3,960,126
Interest Rate	Non-Interest
Interest Date	Non-Interest
Principal Maturity Date	December 31
Payable at	Illinois Department of Revenue

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2025	\$ 396,013	—	396,013
2026	396,013	—	396,013
2027	396,013	—	396,013
2028	396,013	—	396,013
2029	396,013	—	396,013
2030	396,013	—	396,013
2031	396,013	—	396,013
2032	231,004	—	231,004
	<u>3,003,095</u>	<u>—</u>	<u>3,003,095</u>

CITY OF NORTH CHICAGO, ILLINOIS

Long-Term Debt Requirements  
Installment Contract of 2022  
April 30, 2024

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Date of Issue	April 5, 2022
Date of Maturity	April 1, 2026
Authorized Issue	\$43,262
Interest Rate	Non-Interest
Interest Date	Non-Interest
Principal Maturity Date	Monthly
Payable at	Enterprise Fleet Management

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 10,846	—	10,846
2026	10,845	—	10,845
	21,691	—	21,691

**CITY OF NORTH CHICAGO, ILLINOIS**

**Long-Term Debt Requirements**  
**Installment Contract of 2022A**  
**April 30, 2024**

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Date of Issue	April 5, 2022
Date of Maturity	April 1, 2026
Authorized Issue	\$38,238
Interest Rate	Non-Interest
Interest Date	Non-Interest
Principal Maturity Date	Monthly
Payable at	Enterprise Fleet Management

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2025	\$ 9,586	—	9,586
2026	9,586	—	9,586
	19,172	—	19,172

**CITY OF NORTH CHICAGO, ILLINOIS**

**Long-Term Debt Requirements**  
**Installment Contract of 2022B**  
**April 30, 2024**

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Date of Issue	April 5, 2022
Date of Maturity	April 1, 2026
Authorized Issue	\$38,238
Interest Rate	Non-Interest
Interest Date	Non-Interest
Principal Maturity Date	Monthly
Payable at	Enterprise Fleet Management

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2025	\$ 9,586	—	9,586
2026	9,586	—	9,586
	19,172	—	19,172



## CITY OF NORTH CHICAGO, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract of 2022C

April 30, 2024

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Date of Issue	May 2, 2022
Date of Maturity	May 1, 2026
Authorized Issue	\$38,665
Interest Rate	Non-Interest
Interest Date	Non-Interest
Principal Maturity Date	Monthly
Payable at	Enterprise Fleet Management

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 9,673	—	9,673
2026	9,673	—	9,673
2027	805	—	805
	20,151	—	20,151

CITY OF NORTH CHICAGO, ILLINOIS

Long-Term Debt Requirements  
Installment Contract of 2022D  
April 30, 2024

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Date of Issue	October 27, 2022
Date of Maturity	October 1, 2027
Authorized Issue	\$61,076
Interest Rate	Non-Interest
Interest Date	Non-Interest
Principal Maturity Date	Monthly
Payable at	Enterprise Fleet Management

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 12,387	—	12,387
2026	12,387	—	12,387
2027	12,387	—	12,387
2028	6,192	—	6,192
	43,353	—	43,353

CITY OF NORTH CHICAGO, ILLINOIS

Long-Term Debt Requirements  
Installment Contract of 2023  
April 30, 2024

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Date of Issue	January 30, 2023
Date of Maturity	January 1, 2028
Authorized Issue	\$70,363
Interest Rate	Non-Interest
Interest Date	Non-Interest
Principal Maturity Date	Monthly
Payable at	Enterprise Fleet Management

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 14,295	—	14,295
2026	14,295	—	14,295
2027	14,295	—	14,295
2028	10,721	—	10,721
	53,606	—	53,606

**CITY OF NORTH CHICAGO, ILLINOIS**

**Long-Term Debt Requirements**

**Installment Contract of 2023A**

**April 30, 2024**

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Date of Issue	February 1, 2023
Date of Maturity	February 1, 2028
Authorized Issue	\$62,445
Interest Rate	Non-Interest
Interest Date	Non-Interest
Principal Maturity Date	Monthly
Payable at	Enterprise Fleet Management

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2025	\$ 12,489	—	12,489
2026	12,489	—	12,489
2027	12,489	—	12,489
2028	10,408	—	10,408
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	47,875	—	47,875
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## CITY OF NORTH CHICAGO, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract of 2023B

April 30, 2024

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Date of Issue	March 27, 2023
Date of Maturity	March 1, 2027
Authorized Issue	\$43,845
Interest Rate	Non-Interest
Interest Date	Non-Interest
Principal Maturity Date	Monthly
Payable at	Enterprise Fleet Management

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 11,156	—	11,156
2026	11,156	—	11,156
2027	10,227	—	10,227
	32,539	—	32,539

## CITY OF NORTH CHICAGO, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract of 2023C

April 30, 2024

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Date of Issue	October 31, 2023
Date of Maturity	October 30, 2028
Authorized Issue	\$268,549
Interest Rate	Non-Interest
Interest Date	Non-Interest
Principal Maturity Date	Monthly
Payable at	Enterprise Fleet Management

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 53,710	—	53,710
2026	53,710	—	53,710
2027	53,710	—	53,710
2028	53,710	—	53,710
2029	22,378	—	22,378
	237,218	—	237,218

## CITY OF NORTH CHICAGO, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract of 2023D

April 30, 2024

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Date of Issue	October 31, 2023
Date of Maturity	October 30, 2028
Authorized Issue	\$262,877
Interest Rate	Non-Interest
Interest Date	Non-Interest
Principal Maturity Date	Monthly
Payable at	Enterprise Fleet Management

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 52,575	—	52,575
2026	52,575	—	52,575
2027	52,575	—	52,575
2028	52,575	—	52,575
2029	21,908	—	21,908
	232,208	—	232,208

## CITY OF NORTH CHICAGO, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract of 2024

April 30, 2024

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Date of Issue	January 12, 2024
Date of Maturity	January 11, 2028
Authorized Issue	\$65,124
Interest Rate	Non-Interest
Interest Date	Non-Interest
Principal Maturity Date	Monthly
Payable at	Enterprise Fleet Management

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 16,281	—	16,281
2026	16,281	—	16,281
2027	16,281	—	16,281
2028	10,854	—	10,854
	<u>59,697</u>	<u>—</u>	<u>59,697</u>