

# VILLAGE OF



# GURNEE

# ILLINOIS

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## **Annual Comprehensive Financial Report**

FOR THE FISCAL YEAR ENDED APRIL 30, 2022

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Thomas B. Hood - Mayor  
Patrick Muetz - Administrator  
Andy Harris - Clerk

Jeanne Balmes - Trustee  
Greg Garner - Trustee  
Quin O'Brien - Trustee  
Cheryl Ross - Trustee  
Karen Thorstenson - Trustee  
Kevin Woodside - Trustee

**VILLAGE OF GURNEE, ILLINOIS**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**  
**APRIL 30, 2022**

Prepared by:

Finance Department

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## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the Village including:

- List of Principal Officials
- Organizational Chart
- Transmittal Letter
- GFOA Certificate of Achievement for Excellence in Financial Reporting

**VILLAGE OF GURNEE, ILLINOIS**

**List of Principal Officials**

**April 30, 2022**

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**MAYOR**

Thomas B. Hood

**BOARD OF TRUSTEES**

Jeanne Balmes  
Greg Garner  
Cheryl G. Ross

Karen Thornstenson  
Quin O'Brien  
Kevin Woodside

**VILLAGE CLERK**

Andy Harris

**VILLAGE ADMINISTRATOR**

Patrick Muetz

**VILLAGE ATTORNEY**

Bryan Winter

**FINANCE DIRECTOR**

Brian Gosnell

**POLICE CHIEF**

Brian Smith

**FIRE CHIEF**

John Kavanagh

**PUBLIC WORKS DIRECTOR**

Heather Galan, P.E.

**HUMAN RESOURCE DIRECTOR**

Christine Palmieri

**INFORMATION SYSTEMS DIRECTOR**

Christopher Velkover

**ASSISTANT VILLAGE ADMINISTRATOR**

Austin Pollack

**COMMUNITY DEVELOPMENT DIRECTOR**

David Ziegler, P.E.

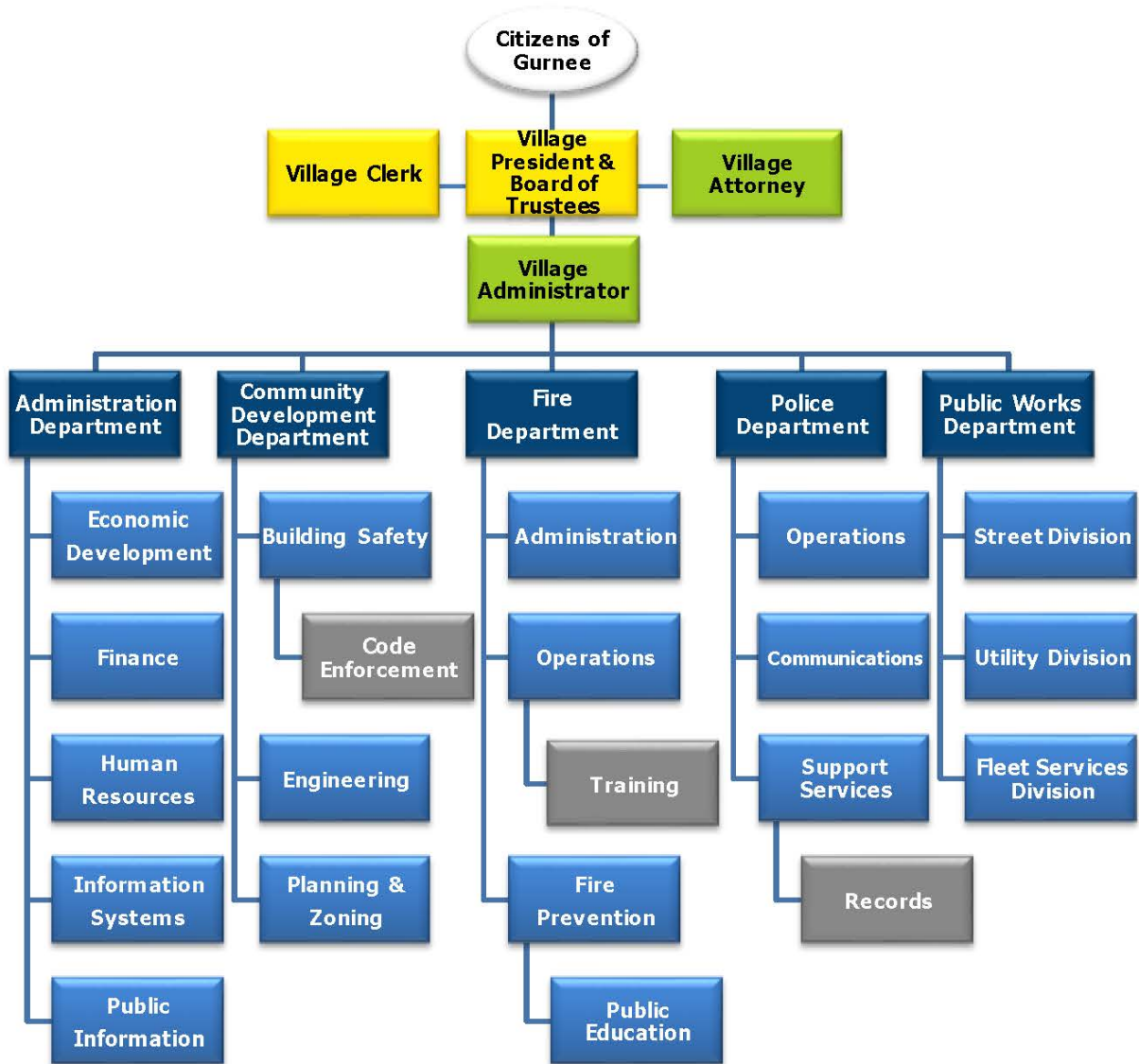
**ECONOMIC DEVELOPMENT DIRECTOR**

Ellen Dean

**VILLAGE ENGINEER**

Nicholas Leach, P.E.

# ORGANIZATIONAL CHART



## LEGEND



= Elected Official



= Appointed Official



= Department



= Division



= Responsibility Center





Thomas B. Hood, Mayor

[www.gurnee.il.us](http://www.gurnee.il.us)

January 24, 2023

To the Village President, Village Trustees, and Citizens of the Village of Gurnee:

*Transmittal of the Annual Comprehensive Financial Report*

Please read this Transmittal Letter in conjunction with Management's Discussion and Analysis.

The Annual Comprehensive Financial Report (ACFR) of the Village of Gurnee for the year ended April 30, 2022, is submitted herewith. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with Village. The internal control structure is designed by management to provide that transactions are recorded and reported according to prescribed policies and procedures. The internal control structure is intended to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of all the funds of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

*Use of the Report*

The Village recognizes that the ACFR is management's report to its governing body, constituents, oversight bodies, resource providers, investors, and creditors. Therefore, a copy of this report will be sent to the elected officials, Village management personnel, bond rating agencies, and other agencies such as financial institutions and government agencies. A paper copy is available at the Gurnee Village Hall and can also be found on-line at the Village website [www.gurnee.il.us](http://www.gurnee.il.us).

*Independent Audit*

State statutes require an annual audit by independent certified public accountants. Lauterbach & Amen, LLP audited the Village's records and their opinion is included in this report.

*The Village and the Services it provides*

The Village of Gurnee was incorporated as a Village in 1928 with 200 residents and has grown to approximately 30,706 residents (2020 Census). The Village experienced a majority of its growth from 1970 to 2000. During that timeframe, the Village grew from 2,738 to 28,834 residents. The Village is located in central Lake County, Illinois and lies approximately 38 miles north of the City of Chicago, Illinois and eight miles west of Lake Michigan. The Village covers an area of approximately thirteen and one-half square miles. Located within commuting distance of Chicago, Illinois and Milwaukee, Wisconsin, approximately 59% of its land is zoned residential, 21% commercial, 8% industrial, and 12% parks/open space.

The Village is a home-rule unit by virtue of its population. As a home-rule unit, the Village has no tax rate or debt limitations, nor is it required to sponsor a referendum to issue debt or increase property taxes. The Village President and six-member Board, elected to four-year overlapping terms, govern the Village.

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325 North O'Plaine Road, Gurnee, Illinois 60031-2636  
Administration 847-599-7500  
Building & Engineering 847-599-7550  
Fax 847-623-9475

The Village Clerk is elected for a four-year term, and the Village Treasurer is appointed by the Board. Additionally, the Board appoints a Village Administrator, Attorney and other key Department Heads. The Village Administrator oversees the day-to-day operations of the Village. Village services are divided into five major units; Administration, Community Development, Police, Fire and Public Works. Police Department services include consolidated emergency 911 communications and Fire Department services include emergency medical care. The Public Works Department maintains Village sewers, water mains, streets, street lights, sidewalks, and trees.

The Village has 217.45 budgeted full-time equivalent positions, with 170.25 or 78.3% of these dedicated to public safety. In response to the COVID-19 pandemic, the Village held 12.07 full-time equivalent positions open for the fiscal year 2021/2022 budget. Subsequent to the reporting period, the Village opened a third Fire Station to serve residents and contract customers on the Southeast portion of the community. At the end of FY 2018/2019, the Fire Department secured a Staffing for Adequate Fire and Emergency Response (SAFER) grant through FEMA. This grant partially offsets the personnel costs of six additional firefighter/paramedics utilized to staff the third fire station.

### **Factors Affecting Economic Condition**

**COVID-19 Pandemic.** Similar to all municipalities, the Village was impacted greatly by the COVID-19 pandemic and associated lockdowns and restrictions. The Village recognized the need to respond to the pandemic quickly and initiated its Fiscal Contingency Plan (“Plan”). The Plan was created and approved by the Village Board in April 2017. The Plan establishes a framework and strategy to respond to adverse fiscal conditions that negatively affect the Village’s financial sustainability including identifying operating actions to reduce expenditures, increased reporting to the Village Board and Staff, and monitoring the financial impact on General Fund reserves.

Quickly identifying the financial impact of the pandemic and implementing the Plan allowed the Village to cut \$5.6 million in General Fund expenses and resulted in a \$1.1 million use of reserves on a budget basis for FY 2020/2021. For the FY 2021/2022 fiscal year, the Village budgeted a use of reserves of \$922 thousand. Budget assumptions included the Big Four revenues (Sales Tax, Amusement Tax, Hotel Tax, Food & Beverage Tax) recovering 75% of the losses suffered in FY 2020/2021. Big Four revenues bounced back to levels greater than anticipated and the Village received significant additional Federal stimulus to offset revenue losses. This combination of factors resulted in the General Fund finishing with a \$4.2 million surplus after transfers of \$3.5 million to pay off the Fire Station #3 loan early, on a budget basis.

**Internet Sales Tax.** One of the factors that lead to the Sales Tax portion of the Big Four revenues bouncing back earlier and to a greater extent than expected was the enactment of the “Leveling the Playing Field for Illinois Retail Act” (35 ILCS 185) effective January 1, 2021. This legislation provided additional Sales Tax revenue to the Village by collecting State and Local Sales tax on internet transactions. As of this report date, the Village estimates this increased Sales Tax revenue by approximately 5%.

**Tourism/Retail.** The Village of Gurnee is a major hospitality center best known for three major tourism attractions: Gurnee Mills Mall; Six Flags Great America/Hurricane Harbor; and Great Wolf Lodge Illinois. With 23 million visitors annually the Village boasts 1738 hotel rooms and 125 restaurants. The FY 2021/2022 tourism season captured pent-up pandemic demand for leisure travel; revenues received by the Village for Hotel Tax and Food & Beverage Tax this year were up 294% and 157% respectively as compared to FY 2020/2021 and up .4% and 9.8% as compared to the last “normal” tourism season of FY 2019/2020.

**Gurnee Mills,** at nearly two million square feet, with close to 200 stores including 17 anchors, is the third largest mall in Illinois and a regional tourist attraction typically visited by more than 20 million people each year. Gurnee Mills was purchased in 2007 by Simon Property Group, which has been updating the facility, creating a hybrid center with both outlet and full service stores including a full service Macy’s which opened in 2013. The tenant pipeline is kept full, and vacancies are typically short-lived. Relationships developed with the Simon family of tenants in other properties around the U.S. support local leasing efforts. New tenants at Gurnee Mills in recent years have included national soft goods retailers AKIRA and Famous Footwear and an entertainment venue, All on Target soft shooting gallery in 2019; that same year, existing tenants Starbucks and Subway comprehensively remodeled or relocated to larger or more preferred locations. In March 2020, four radio northeastern Illinois/southeastern Wisconsin radio stations owned by Alpha Media which operates in over 50 markets nationwide

began broadcast operations at Gurnee Mills. A redevelopment agreement between the Village and Gurnee Mills supported the tenant buildout for Alpha Media, for which the Village receives weekly on-air advertising of community businesses, attractions, and events. Alpha Media contributes on an ongoing basis to the vitality of the mall by hosting concerts and events onsite. In FY 2020/2021 during the core of the pandemic, new tenancies at Gurnee Mills included national retailer Five Below, locally owned and fully renovated Top Shelf Ice Arena and Beyond the Edge hockey training, Frontline Defender – apparel for military and first responders, All Star Sports - a licensed sportswear and novelties shop, and the Air Force National Guard recruiting office. In FY 2021/2022 Hobby Lobby took occupancy of 55,000 square feet of a former Sears Grand anchor box, and 2nd & Charles opened in the former Neiman Marcus Last Call space. Top Shelf Ice Arena added a new bar & grill which is open to the public. Marcus Cinemas continues to innovate and invest in its Gurnee location, the most recent addition being “The Wall”, a communal sports viewing venue showing multiple games on giant screens, with recliner seating, and a diverse food & bar menu. Investments and collaborations like these - large and small, public and private - augment the regional appeal of this retail and entertainment destination area.

**Six Flags Great America**, a 300-acre theme park and 20-acre outdoor water park, was open for its full operating season in FY 2021/2022. This Park attracts 2.5 million visitors each year and is one of the top attractions in Illinois. The Village receives 4% on each admission ticket, season pass, or membership sold at the park. As part of the Six Flags Entertainment Corporation, the world’s largest regional theme park company with 27 parks across North America, Six Flags benefits from capital commitment and new rides to keep its offerings current. In 2019, Maxx Force, the fastest launching coaster on the continent, became the 17th coaster at Six Flags Great America. In 2020, no new rides were introduced as the park was closed during the pandemic. In 2021, Hurricane Harbor waterpark opened as a separate attraction with its own entry gate separate from the theme park featuring the world’s tallest water coaster, Tsunami Surge, originally planned for 2020. In 2022, the emphasis was on remodels of in-park dining establishments.

**Great Wolf Lodge Illinois** became the company’s 17th resort (now one of 18) in North America when it opened in July 2018 following a comprehensive renovation of the property formerly operated as Key Lime Cove. The property is a 414-room, full-service resort featuring over 80,000 square feet of water park facilities; 7,800 square feet of flexible meeting space with built-in A/V technology; mini golf; climbing wall, ropes course; mini bowling; arcade; its very own Build-a-Bear workshop; and multiple restaurants featuring small plates, craft cocktails, and handmade pizza and pasta. In FY 2020/2021, during the pandemic, while it was closed to the public, Great Wolf executed a partnership with the United States Navy to house recruits for a 14-day quarantine period before they were to report to basic training; the waterpark resort subsequently reopened to strong demand as leisure travel resumed. The resort has adeptly navigated the tight labor market to generate strong revenues throughout FY 2021/2022.

The safety and security of millions of visitors depends upon the close working relationship which exists between the Big 3 and the Gurnee Police Department. Gurnee’s Community Partnership for Safety Program formalizes this relationship. In FY 2021/2022 financial commitments were secured to fund two K-9 units as well as to plan for future installation of Flock Automated License Plate Reader camera systems in areas of high visitor traffic. In FY 2021/2022 the Village continued to address panhandling in commercial areas by connecting individuals with community service agencies; installing signage reminding the motoring public of better ways to provide assistance; and engaging with businesses to offer support.

All of Gurnee’s major tourist attractions and the majority of its retail inventory are located near the I-94 & Grand Avenue intersection with vehicular volume of 82,000 on I-94 and 43,000 on Grand Avenue respectively.

Completion of Illinois Department of Transportation construction projects at Routes 41 & 132 in FY 2021/2022 improved traffic flow and aesthetics and should help to stimulate the East Grand Avenue commercial corridor on Gurnee’s eastern boundary in the years to come.

With the adoption by the Village Board of a Small Business Capital Grant program in FY 2021/2022, matching grants of up to \$10,000 became available to commercial property owners and owners of retail/restaurant/entertainment businesses to support them in making capital investment.

**Industrial/Office.** In addition to its commercial activity, the Village of Gurnee also boasts a strong industrial base with approximately 9% of land zoned for industrial uses. The Class A, CenterPoint Business Center and Grand Tri-State Business Park located west of I-94 between Grand Avenue and Washington Street include signature firms Jabil Healthcare (formerly Nypro), Kalle USA, PurposeBuilt Brands (maker of Weiman products, Goo

Gone, and other well-known consumer cleaning brands), Ohio Medical, Kalle USA, Marantec, Akorn, and Luxor Furniture. A point of local pride was the opening in FY 2020/2021 of Abbott Laboratories' COVID-19 test kit manufacturing facility, one of just two in the nation providing the breakthrough BinaxNOW rapid test kit. In FY 2021/2022, one of the newest entrants to the parks, AZ Polymers, a locally owned producer of high grade polycarbonate sheeting, completed construction on a 90,000 square foot manufacturing facility. Restaurant Depot, a restaurant wholesale facility began site work for a 44,000 square foot commercial warehouse on a 7-acre site near Grand Avenue. Also in FY 2021/2022 Artsonia, an online student art gallery with nearly 91 million artworks, doubled its space at 1350 Tri-State Parkway; Art Expressions, designer of art installations for corporate, healthcare, and educational settings, opened on Lakeside Drive.

Because Grand Tri-State and CenterPoint offer quick access to the retail and dining opportunities of Grand Avenue, easy access to the I-94 tollway, and tollway visibility, they attract a variety of service/office and entertainment businesses in addition to the more traditional manufacturing/distribution uses. Among these are the 30,000 square foot Abbott Laboratories Employee Credit Union (ALEC), Consumers Credit Union headquarters, Legat Architects, Columbia College, DeVry Educational Institute, Ultimate Gymnastics, Launch Trampoline Park/Family Entertainment Center, Extreme Flight Simulation, and craft brewer Only Child Brewing (to be replaced in FY2022/2023 with Pips Meadery, a craft mead producer). Major portions of the parks are managed by CBRE and Tri-State Realty. They have benefited from a 2016 "hyberbuild" investment by Comcast; expansion of the fiber network enabled internet speeds of up to 10 GBps and a wider range of services to attract additional advanced manufacturing and technology-intensive companies to this area with reduced startup cost.

Outside of Tri-State/CenterPoint, other office and industrial nodes also are experiencing new investment. Gurnee's newest Class A office development, the 30,000 square foot Bellewater Place, on Dilleys Road, was in active leasing and tenant buildout phase throughout FY 2021/2022 attracting a variety of new office tenants with its elegant common areas and tailored suites. Medical facilities located throughout the community such as the Advocate Condell Immediate Care Center, Greenleaf Center, Vista Health System, NorthShore University Health System, and Northwestern Medical provide invaluable health services and employment opportunities for residents.

Lake County is the second largest manufacturing county in Illinois with one out of every seven jobs in the county being provided by the manufacturing sector. In FY 2021/2022 the College of Lake County was under construction on Phase 1 (since opened) of its Advanced Technology Center, repurposing the former Lowe's home improvement center to provide industry-relevant career pathways for area students and to support the workforce needs of Lake County employers.

#### **FY 2021/2022 Development Highlights:**

- Commercial:
- Cooper's Hawk Winery & Restaurant: Site work for development of a new outlot at Rollins Road & Grand Avenue on the site of the former Lowe's home improvement center followed by construction of a new 10,600 square foot restaurant
- Popeye's Louisiana Kitchen: new construction, 3,100 square foot restaurant with a drive through on the former site of Pizzeria Uno
- Raising Cane's: new construction, 3,300 square foot restaurant on the site of the former Boston Market restaurant
- Dairy Queen: opening of renovated space in Riverside Plaza, having relocated from its original Old Grand Avenue location, which was subsequently demolished as part of the Village's continued stormwater management strategy
- Lou Malnati's and Topper's carryout pizzerias opened
- Crumbl Cookies bakery: completed construction at Gurnee Town Center
- Bubblelicious Homemade Bubble Tea: opened at Gurnee Mills
- Tropical Smoothie Café: plans were under review with construction to begin in FY 2022/2023
- Event spaces BeeCool Parties opened on Delany Road; Soiree on East Grand Avenue; and Tanya's Savvy Events in Saratoga Square
- The new Gurnee Farmers Market at Riverside Plaza was launched by the owner of Riverside Café and quickly became a new "must-do" for summer/fall Sunday afternoons
- Anthony Buick GMC dealership began construction on a new 45,000 square foot dealership on a 10 acre land site on Northridge Drive, to relocate from its current Gurnee location
- Eagle Fence began construction on a building addition and remodel

- US Bank was under construction on a new 3,200 square foot building on the site of the former Uno Pizzeria
- WoodSpring Suites opened a new 114-room, extended stay hotel on the site of the former Gurnee Antique Market, at I-94 & Grand Avenue
- Papo's Express, a rapidly expanding family-owned chain of 10 locations, completed construction of a new, freestanding car wash at the intersection of Hunt Club and Washington
- Major remodels of Kohl's/Sephora, Speedway, LaZBoy, Jewel, Taco Bell, Steak n Shake, United Indian Grocers executed

#### Industrial/Office:

- Restaurant Depot, a national distributor of food and kitchen supplies, began site work for a new, ground-up construction, restaurant wholesale supply facility on seven acres near Grand Avenue & I-94; customers are expected to be primarily independent restaurateurs
- Bellewater Place: new tenants took occupancy throughout FY 2021/2022 in the first 30,000 square foot speculative office building of a total 180,000 square feet approved
- College of Lake County purchased the former Lowe's building for a state-of-the-art Advanced Technology Center, a \$60 million investment, under construction throughout FY 2021/2022
- Industrial/office additions also included: Positive Impact Advertising, brand awareness and promotional products supplier; Raeco Rents, rental of environmental monitoring kits; Global Box Machine; S2 Masonry, home improvement contractor; JD Fields, steel building materials supplier; Superior Medical Solutions medical staffing; TK Security firearms training and consulting services; WAM USA, bulk material handling equipment; and district offices of Rep. Joyce Mason
- U-Haul, located on East Grand Avenue, opened its first 150 units of interior self-storage and began interior demolition/construction on adjacent former motel properties
- Medical facilities opened in FY 2021/2022 included Lake Villa Dental, University Foot Associates, Hanger Clinic, Illinois Gastroenterology Group (formerly Lake Shore), and Nephrology Associates of Northern Illinois. The 25,000 square foot Northwestern Medical professional office building at 6155 Grand Avenue finalized occupancy. Counseling offices opened in FY 2021/2022 included Painted Mountain Arts art therapy and counseling on Rt. 21 and Evolve Counseling at Saratoga Square.
- Henry Broch & Co. (food ingredient processing/co-packing), Seedbox Solutions seed storage sales/repair/rentals; NutriSense (health & wellness office/warehouse); and Fake Meats (e-commerce fulfillment, plant based food products) all established locations in Gurnee.
- Construction was completed on Fire Station #3, a 17,000 square foot station with four bays for fire engines and ambulances, sleeping facilities for seven firefighter/paramedics, a weight room, and office space for the Warren-Waukegan Fire Protection District; the station opened October 2021.

**Long-Term Financial Planning.** The Village continues robust Long-Term Financial Planning by annually updating its Multi-Year Financial Forecast along with the Multi-Year Capital Plan. The Village updated its Strategic Plan in FY 2022/2023 to outline the direction over the next several years. The Plan was last updated in 2015.

The Village prepared and presented the first Multi-Year Financial Forecast (MYFF) in 2015 to identify current and future financial trends and develop solutions or strategies to guide financial and programmatic policy decisions. The MYFF is updated annually and presented to the Village Board as a precursor to the Multi-Year Capital Plan and Annual Budget. The Village does not levy a property tax, relying largely on economically sensitive revenues to fund operations and capital. As such, it is important to analyze the Village's financial condition based on past, current and projected economic conditions. Long-term financial planning is identified in the Village's strategic plan as a priority for the Village.

The Village prepares and presents a Multi-Year Capital Plan (MYCP) annually in conjunction with the Annual Budget process. The MYCP provides a 5-year spending plan in each of the Village's capital and infrastructure systems which include Transportation System, Stormwater Management System, Water & Sewer System, Vehicles & Equipment, Technology and Buildings & Building Improvements. Plans are presented in detail for the immediate two fiscal years with broader priorities identified in the out years. The MYCP identifies available and needed funding to maintain each area or system based on maintaining a certain level of service or standard for infrastructure.

The Village enhanced its long-term financial planning in 2017 by creating and adopting a Fiscal Contingency Plan. Due to the Village's reliance on economically sensitive revenue sources to fund operations, the Plan

provides a framework and strategy to respond to unanticipated adverse fiscal conditions that impact the Village's financial sustainability. The Plan identifies metrics that would trigger additional financial reporting and contingency action items to be considered in such a situation. The Village instituted its fiscal contingency plan for the first time in late March in response to the COVID-19 crisis as noted earlier.

The Village's mission is to;

***Engage...** our residents, businesses, and visitors in an ongoing dialogue about their ideas, needs, and concerns.*

***Preserve ...** our neighborhoods, open spaces, financial well-being, and community traditions, in line with our values.*

***Advance...** our services in response to community needs, encourage responsible development, and continuously foster a safe and welcoming environment.*

To help translate that Mission into reality, the Strategic Plan update identified six Strategic Priorities that will be at the forefront of Village operations over the next several years. These priorities include:

***Financial Sustainability...**A financially responsible organization*

***Well-Maintained Infrastructure...**Infrastructure that supports our community*

***Effective Communication...**A transparent, responsive government*

***A Stable, Well-Trained Workforce...**A capable, dedicated workforce*

***A Safe Community...**A safe, secure community*

***Lifestyle Vitality...**A connected, welcoming community.*

It is from this mission statement and key performance areas that all major goals and objectives are judged. Each department and division have strategic initiatives to support the mission and key performance areas.

**Financial Policies.** The Village has several specific policies to guide financial operations. These policies relate to accounting and financial reporting, budgeting and revenue management, debt management, cash management and investments, purchasing, and economic development. Some of the most significant policies include:

#### General Corporate Fund Balance Policy

- Maintain an unassigned fund balance in the General fund to fund operations for a period of at least four months ("Cash Flow Commitment"). The goal is to have a Cash Flow commitment in the General fund that is adjusted annually with the adoption of the budget and is calculated as 35% of the General fund expenditures (not including transfers to fund capital projects).
- Assign a portion of fund balance in the amount of debt service payments for general obligations, alternate revenue source, and governmental debt for the following year. These funds may be assigned in either the General fund or the Debt Service fund. ("Debt Service Assignment")
- Unassigned fund balance will be reviewed annually during the budget process. Should the unassigned fund balance for the General Fund balance drop below 35%, the Village Board will be notified. Reductions will be resolved by either implementing a new, recurring revenue source or reducing expenditures. Balances in excess of the recommended Cash Flow Commitment may be transferred to the Capital Improvements fund to support future capital projects.

#### Debt Policy

- Long-term debt will not be used to finance current operations. The highest priority for the issuance of long-term debt will be to further the Village's Capital Improvement Program. Long-term debt is defined as bonded debt whose maturity is at least ten years from the date of original issue.
- Long-term debt will be used only for capital projects that cannot be financed from current revenue sources. Where capital improvements or acquisitions are financed through the issuance of debt, such debt will be retired in a period not to exceed the expected life of the improvement or acquisition.

- The Village will issue long-term debt for refunding of other outstanding debt for the purpose of interest rate savings. As a guide, the minimum net present value savings shall be 2% of the par value of the proposed new bonds to be issued.
- The Village, a home-rule community, will adopt the threshold set forth by State statutes for non-home rule municipalities' limitation of the amount of debt that may be legally incurred. The limitation set by the Statute is 8.625% of the most recent Equalized Assessed Valuation of the real estate in the corporate boundaries of the Village.

#### Investment Policy

- The Village will purchase only those investments allowable under the Illinois Public Funds Investment Act.
- All trades, where applicable, will be executed by delivery vs. payment to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

#### Purchasing Policy

- All purchases made from one vendor for a particular item or like types of items in excess of \$20,000 must be accomplished by a contract or purchase order through the formal bidding process or by a bid waiver approved by the Village Board. Purchases made in conjunction with the State of Illinois Joint Purchase Contracts Program satisfy all bid requirements.
- In the event of an emergency affecting the public health, welfare, or safety, a contract may be let or a purchase made, to the extent necessary to resolve the emergency without a formal bid. The Village Administrator shall file his authority for such an expenditure in writing with the Village Board. The Village Board shall, at their next regular meeting, confirm whether an emergency actually existed. If an emergency existed, the Village Board shall confirm the necessary emergency expenditures.

#### Capital Asset Policy

- The Village will capitalize land improvements, vehicles, machinery & equipment, computers, furniture & fixtures with an acquisition cost of \$25,000 or more; capitalize building improvements with an acquisition cost of \$50,000 or more; and capitalize infrastructure costs such as roads/streets, water & sewer systems and storm water drainage with an acquisition cost of \$250,000 or more.

#### Fiscal Contingency Plan

- Two consecutive quarters of negative prior year and budget variances trigger actions to include;
  - A formal assessment of the duration of the fiscal stress.
  - Increased monitoring and reporting on the financial condition to the Village Board.
  - Adherence to the Fund Balance policy limits.
  - Identification of operating adjustments to be considered to offset the fiscal stress.

#### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its Annual Comprehensive Financial Report for the fiscal year ended April 30, 2021. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Village of Gurnee received the GFOA's Distinguished Budget Presentation Award for its 2022/2023 fiscal budget. In order to qualify for the Distinguished Budget Presentation Award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

Sincerely,



Patrick A. Muetz  
Village Administrator



Brian C. Gosnell  
Director of Finance





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Village of Gurnee  
Illinois**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

April 30, 2021

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

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

## **INDEPENDENT AUDITORS' REPORT**

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



## **INDEPENDENT AUDITORS' REPORT**

January 24, 2023

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Gurnee, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, based our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Gurnee, Illinois, as of April 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Gurnee Police Pension Fund and the Gurnee Firefighters' Pension Fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Gurnee Police Pension Fund and the Gurnee Firefighters' Pension Fund, is based solely on the report of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Gurnee, 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 Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

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

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS

April 30, 2022

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The Village of Gurnee's discussion and analysis is designed to explain significant financial issues, provide an overview of the Village's financial activity, identify changes in the Village's financial position, identify material deviations from budget, and identify individual issues and concerns.

This document should be read in conjunction with the Transmittal Letter and financial statements.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The Village's basic financial statements are comprised of three components: 1) Village-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements.

## **USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT**

Financial statements are presented from two perspectives: government-wide and major fund. These perspectives allow the user to address relevant questions, broaden a basis for comparison and enhance the Village's accountability.

### **Village-wide Financial Statements**

The Village-wide financial statements are designed to be corporate-like. Governmental and business-type activities are consolidated into columns, which add to a total of government activities.

The Statement of Net Position combines and consolidates governmental funds, current financial resources with capital assets and long-term obligations. It uses the accrual basis of accounting and total economic resources measurement focus. The Statement of Net Position can be found in the financial section of this report.

The Statement of Activities focuses on the growth and net costs of various activities. General taxes and other resources pay for these activities. The Statement of Activities summarizes the costs of various governmental services and can be found in the financial section of this report.

The governmental activities reflect the Village's basic services, which are police, fire, emergency dispatch, public works, community development and administration. Shared state sales and income taxes, home rule sales taxes, amusement taxes, food & beverage and hotel and resort taxes finance the majority of these services. The Village has not levied a property tax for corporate purposes since 2000.

The business-type activities reflect private sector type operations, where the fees for service are intended to cover the costs of operation, including debt service and depreciation. The Village's water and sewer user fees finance the majority of these services. The Village also maintains a Golf Fund to account for the land owned by the Village for Bittersweet Golf Course. Operations of the course are contracted to an outside firm through a concession arrangement.

### **Fund Financial Statements**

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



VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS

April 30, 2022

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Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds rather than fund types.

The governmental fund presentation is presented with current financial resources measurement focus and modified accrual accounting basis. This method recognizes resources when they are available for use in the operation. This is the manner in which the financial plan is usually developed. The flow and availability of resources is a clear and appropriate focus of any analysis of the government. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

While the total column of the enterprise funds' financial statements are the same as the business type column on the Village-wide financial statements, the governmental funds' total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources will reflect bond proceeds and inter-fund transfers as other sources and uses, as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligations into the governmental activities column in Village-wide statements. The fund financial statements can be found in the financial section of this report.

#### The Village as Trustee

The Village is trustee, or fiduciary, for its Police and Fire pension plans. All of the Village's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The Village excludes these activities from the Village's other financial statements because the Village cannot use these assets to finance its operations. The Village is responsible for ensuring that assets reported in these funds are used for their intended purposes. The fiduciary financial statements can be found in the financial section of this report.

#### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the Village-wide and fund financial statements. The notes to the financial statements can be found in the financial section.

#### Other Information

In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to employees. Nonmajor fund information can be found immediately following the required supplementary information.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
April 30, 2022

**VILLAGE-WIDE STATEMENTS & ANALYSIS**

Net Position

The following chart reflects the Condensed Statement of Net Position:

**Table 1**  
**Statement of Net Position**  
**(in thousands)\***

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current Assets	53,589	37,620	8,045	7,469	61,634	45,089
Capital Assets	79,894	74,859	64,721	64,200	144,615	139,059
<b>Total Assets</b>	<b>133,483</b>	<b>112,479</b>	<b>72,766</b>	<b>71,668</b>	<b>206,249</b>	<b>184,148</b>
Deferred Outflows of Resources	6,018	6,347	691	647	6,709	6,993
<b>Total Assets and Deferred Outflows</b>	<b>139,500</b>	<b>118,826</b>	<b>73,457</b>	<b>72,315</b>	<b>212,958</b>	<b>191,141</b>
Current Liabilities	4,176	3,208	1,299	963	5,476	4,171
Noncurrent Liabilities	34,898	22,966	5,345	5,856	40,243	28,822
<b>Total Liabilities</b>	<b>39,074</b>	<b>26,174</b>	<b>6,644</b>	<b>6,818</b>	<b>45,719</b>	<b>32,993</b>
Deferred Inflows of Resources	12,776	25,624	827	538	13,603	26,162
<b>Total Liabilities and Deferred Inflows</b>	<b>51,850</b>	<b>51,798</b>	<b>7,472</b>	<b>7,357</b>	<b>59,322</b>	<b>59,155</b>
Net Position:						
Net Investment in Capital Assets	71,261	72,081	59,623	59,059	130,884	131,140
Restricted	2,463	1,633	—	—	2,463	1,633
Unrestricted	13,926	(6,687)	6,362	5,900	20,288	(787)
<b>Total Net Position</b>	<b>87,650</b>	<b>67,028</b>	<b>65,985</b>	<b>64,959</b>	<b>153,636</b>	<b>131,986</b>

\*Variation in values may occur due to rounding

The Village combined net position increased by \$21,649 thousand from \$0.1 million to \$153.6 million. Governmental Activities net position increased by \$20.6 million. Current Assets increased by \$13.9 million due to greater Cash & Investments (+\$12.0 million) and Receivables (+\$1.8 million). The increase is primarily due to measure the Village took to combat the fiscal impact of the COVID-19 pandemic on major revenues in the prior year, unanticipated federal assistance, and revenues bouncing back from pandemic lows. Capital Assets increased by \$1.7 million largely due to the construction of Fire Station #3. The Village also added a \$3.4 million Net Pension Asset for Illinois Municipal Retirement Fund pension due to greater than anticipated investment returns. Current Liabilities Increased by \$1.2 million primarily due to the timing of payables (+\$924 thousand) for the Ground Emergency Medical Transport program, and current long-term debt (+\$175 thousand) due to Fire Station #3.

Business-Type Activities net position increased \$1.0 million. Current Assets increased \$577 thousand due to the due to measure the Village took to combat the fiscal impact of the COVID-19 pandemic and higher than anticipated water usage. Capital assets increased due to the completion of the Old Grand water main. Current Liabilities increased \$337 thousand primarily due to the increase in the current portion of long-term debt related to the Knowles Road water tower IEPA loan. Noncurrent Liabilities decreased due to the IEPA Loan Payable for the Knowles Road Water Tower.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
April 30, 2022

Activities

Governmental Activities are segregated by functional area for program revenues and expenses. General and Business-Type Revenues are allocated among Charges for Services; Operating and Capital Grants/Contributions; Taxes; Interest Income; Miscellaneous Revenue; and Interfund Transfers, as applicable. Expenses are allocated among General Government; Public Safety; Highway and Streets; Interest on Long-Term Debt; Golf; and Water and Sewer, as applicable.

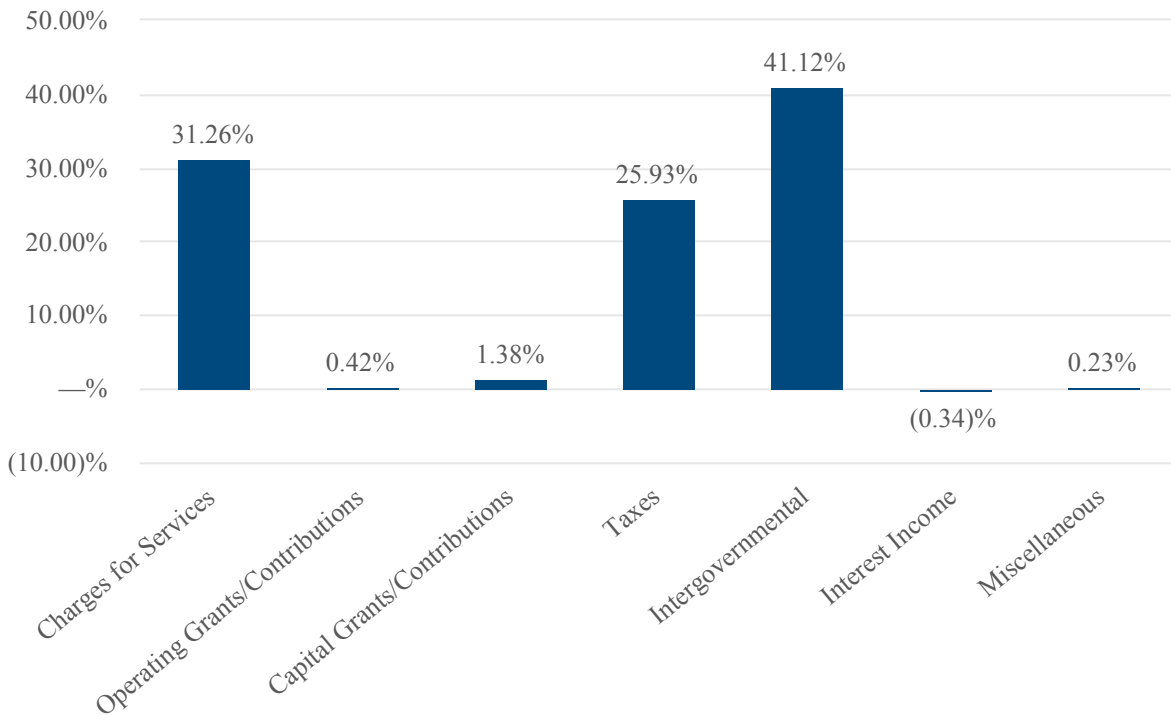
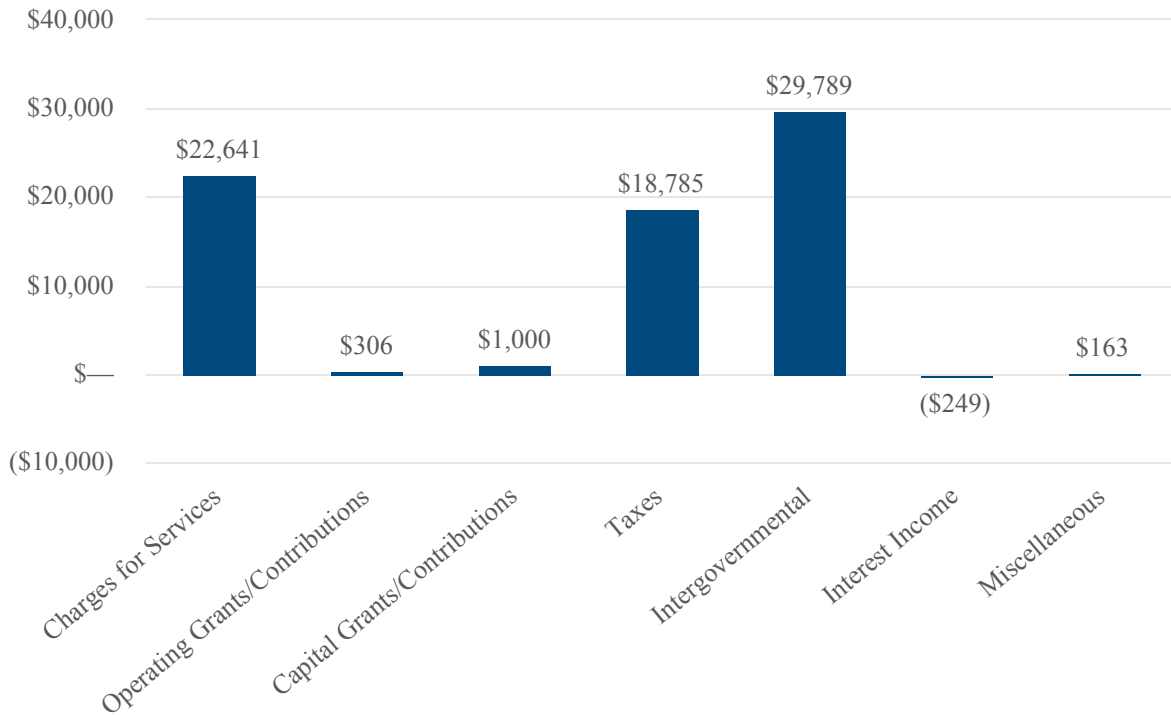
**Table 2**  
**Changes in Net Position**  
**(in thousands)\***

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	12,920	12,514	9,720	8,898	22,641	21,412
Operating Grants/Contributions	306	1,872	—	—	306	1,872
Capital Grants/Contributions	1,000	1,000	—	—	1,000	1,000
General Revenues:						
Taxes	18,785	12,409	—	—	18,785	12,409
Intergovernmental	29,789	20,312	—	—	29,789	20,312
Interest Income	(313)	254	64	68	(249)	322
Misc	156	293	7	8	163	302
<b>Total Revenues</b>	<b>62,643</b>	<b>48,654</b>	<b>9,792</b>	<b>8,975</b>	<b>72,435</b>	<b>57,628</b>
<b>EXPENSES</b>						
General Government	5,764	5,706	—	—	5,764	5,706
Public Safety	27,425	27,519	—	—	27,425	27,519
Highways and Streets	8,554	7,510	—	—	8,554	7,510
Interest	120	21	—	—	120	21
Golf	—	—	21	68	21	68
Water and Sewer	—	—	8,902	7,733	8,902	7,733
<b>Total Expenses</b>	<b>41,862</b>	<b>40,756</b>	<b>8,923</b>	<b>7,801</b>	<b>50,785</b>	<b>48,558</b>
<b>Excess/Deficiency Before Transfers</b>	<b>20,781</b>	<b>7,898</b>	<b>868</b>	<b>1,173</b>	<b>21,649</b>	<b>9,071</b>
Transfers	(158)	(125)	158	125	—	—
<b>Change in Net Position</b>	<b>20,622</b>	<b>7,773</b>	<b>1,027</b>	<b>1,298</b>	<b>21,649</b>	<b>9,071</b>
<b>Net Position - Beginning</b>	<b>67,028</b>	<b>59,255</b>	<b>64,959</b>	<b>63,660</b>	<b>131,986</b>	<b>122,915</b>
<b>Net Position - Ending</b>	<b>87,650</b>	<b>67,028</b>	<b>65,985</b>	<b>64,959</b>	<b>153,636</b>	<b>131,986</b>

\*Variation in values may occur due to rounding

VILLAGE OF GURNEE, ILLINOIS  
 MANAGEMENT'S DISCUSSION & ANALYSIS  
 April 30, 2022

**Fiscal Year 2021/2022 Revenues**



VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS

April 30, 2022

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For the fiscal year ended April 30, 2022 Government-Wide revenues were \$72.4 million. Intergovernmental Revenues is the largest category representing 41.1% of revenues followed by Charges for Service at 31.3% and Taxes at 25.9%.

Government-Wide Intergovernmental Revenues increased \$9.5 million from the previous year. The largest type of Intergovernmental Revenues is sales taxes in the General Fund. In addition, Charges for Services increased \$406 thousand from the previous year. The largest type of Charges for Services are water and sewer fees in the Utility Fund.

- Governmental charges for services include dispatch services, ambulance fees, police security charges, and various development fees. Governmental Charges for Services increased from \$12.5 million to \$12.9 million largely due to increased fees for the Ground Emergency medical Transport program and ambulance transports.
- Business-Type charges for services are primarily Water and Sewer charges for service and decreased from \$8.9 million to \$9.7 million. Revenues were positively impacted due to increased water usage during the fiscal year.

Government-Wide Intergovernmental revenues increased from \$20.3 million to \$29.8 million. Income taxes increased \$1.12 million from \$3.80 million to \$4.92 million.

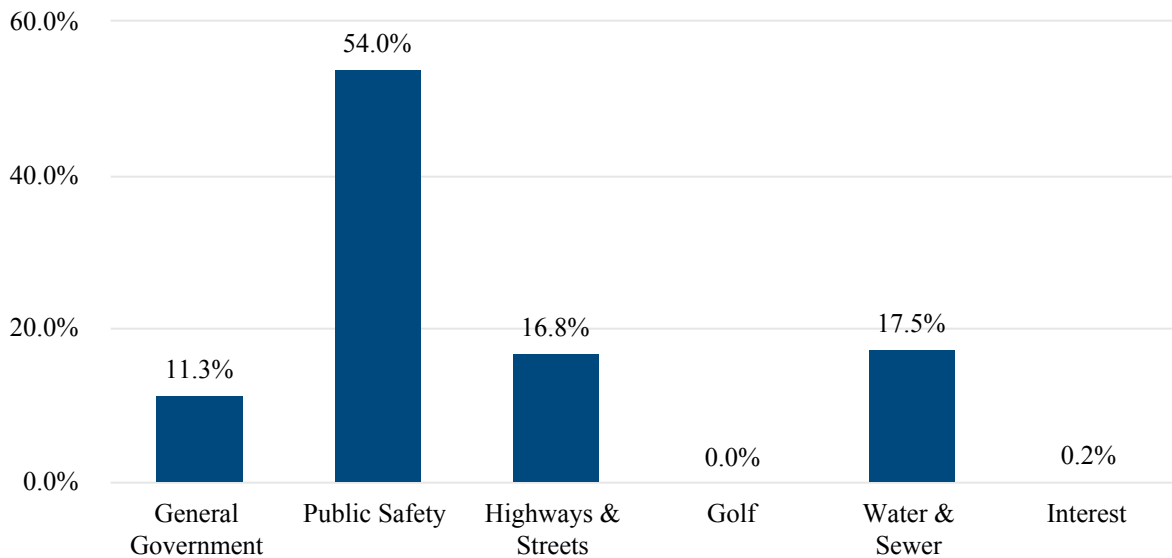
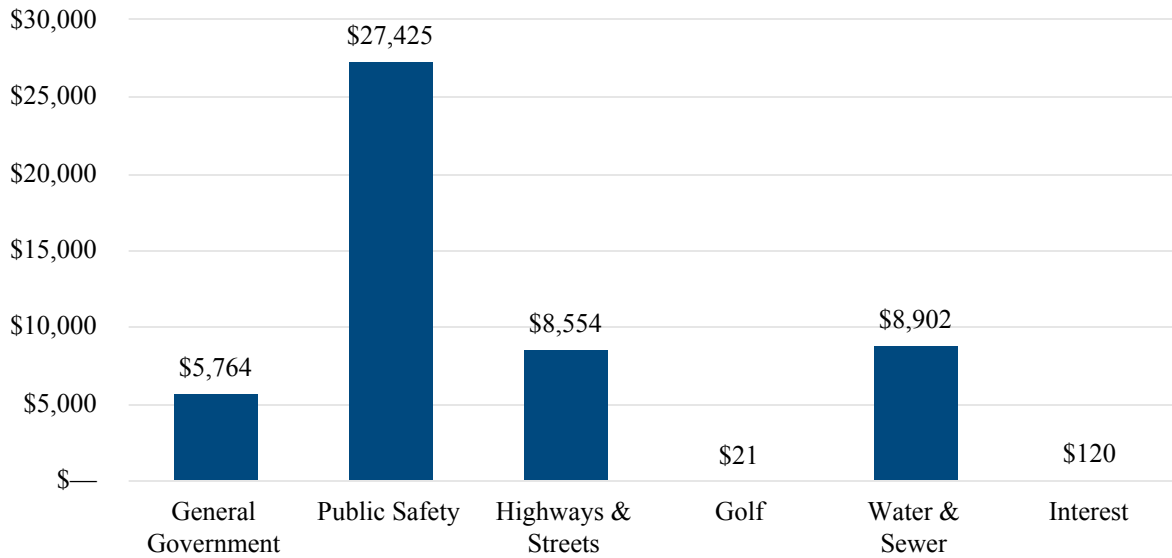
- Sales taxes (Sales Tax & Home Rule Sales Tax) represent over 43% of total governmental revenues. The Village receives 2.0% of all sales purchases within its jurisdiction; this consists of 1% of the State sales tax rate and a 1% home rule sales tax (effective January 1, 2015). Village-wide sales taxes increased \$5.6 million from \$20.2 million to \$25.8 million. Sales taxes rebounded from the impact of the pandemic and changes in legislation regarding how internet transactions were taxed took effect later in the fiscal year.
- Income taxes increased from \$3.8 million to \$4.9 million due largely to increased corporate pre-payments in anticipation of tax law changes and federal pandemic assistance.
- The change in taxation of internet transactions resulted in a decrease in Local Use tax from \$1.4 million to \$1.2 million. Transactions previously subject to Local Use Tax are now subject to the full sales tax rate resulting in a net positive to the Village.

Government-Wide Taxes increased \$6,376 thousand from \$12.4 million to \$18.8 million. This is largely due to the lifting of pandemic restrictions and resumption of normal business activities by the Village's largest taxpayers. Amusement, Hotel and Food & Beverage taxes all bounced back to pre-pandemic levels as Six Flags Great America and Great Wolf Lodge Illinois re-opened fully. Many restaurants adapted to the pandemic restrictions with enhancing outdoor dining and patrons responded positively.

- The amusement tax is 4% (effective May 1, 2018). Amusement taxes increased \$2.7 million from \$0.8 million to \$3.5 million.
- The hotel tax is 6% (effective May 1, 2018). Hotel taxes increased \$1.4 million from \$0.7 million to \$2,134.9 thousand.
- The food and beverage tax is 1%. Food and beverage taxes increased \$869.1 thousand from \$1.5 million to \$2.4 million.
- The Village imposes a 6% telecommunications tax. Telecommunication (excise) taxes decreased \$152.4 thousand from \$819.1 thousand to \$666.7 thousand. This is the tenth consecutive decline of 5% or more. Telecommunication taxes will continue to decline as consumer behaviors change to communication methods not subject to the tax.

VILLAGE OF GURNEE, ILLINOIS  
 MANAGEMENT'S DISCUSSION & ANALYSIS  
 April 30, 2022

**Fiscal Year 2021/2022 Expenses**



Total Government-Wide expenses increased \$2.2 million or 4.6%, from \$48.6 million to \$50.8 million.

Governmental Activities expenses increased \$1.1 million or 2.7%, from \$40.8 million to \$41.9 million. The increase is almost entirely in the Highways and Streets category due to increased road construction activities post pandemic.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
April 30, 2022

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General Government expenses decreased \$40.3 thousand or 0.7% from \$5.7 million to \$5.8 million. Included are the costs associated with the Administration, Human Resources, Finance, Information Systems, Engineering and Building & Zoning divisions, as well as the Village's contractual obligations and debt service. The Village's contractual obligations include voluntary contributions to the Gurnee Days Corporation and Lake County Convention Bureau. The Village also participates in revenue sharing agreements with Gurnee Mills, Great Wolf Lodge and Six Flags.

Public Safety expenses decreased \$0.1 million, or 0.3%, from the previous year. Public Safety consists of the operation of the Village's Police Department, Fire Department, and Emergency Dispatch departments. The Village had several open and vacated positions throughout the fiscal year within the Police Department.

Highways and Streets, including Public Works, Vehicle Maintenance and the Village's routine repair and maintenance projects, increased \$1,044 thousand or 13.9% from the prior year primarily due to resuming the road construction capital program.

Interest expenses increased \$99 thousand or 471.0% from the previous fiscal year. The Village paid interest on the outstanding promissory note used to finance Fire Station #3.

Business-Type Activities expense increased \$1.1 million from \$7.8 million to \$8.9 million. Business-Type activities consists of the Village's Water and Sewer, and Golf Course enterprise funds.

The Village owns the land where Bittersweet Golf Club is located. A private company was supposed to operate the course and clubhouse, but the Club went into foreclosure in 2009. In late fiscal year 2010/2011, the Village bought out the remaining 21 years on a Bittersweet lease held by First Merit Bank. Currently, an independent entity, Golfvisions Inc., operates and manages the golf course. The Village received no revenue from the golf course during the fiscal year. FY2020/2021 Golf Fund expenses consisted of \$21 thousand amortization of the leasehold.

Water and Sewer expenses increased \$1.1 million from \$7.8 million to \$8.9 million. This is primarily due to increased water usage resulting in greater payments to the Village water supplier Central Lake County Joint Action Water Agency.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS

April 30, 2022

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**BUDGET HIGHLIGHTS**

The Village adopts a budget on a fund basis consistent with generally accepted accounting principles. The budget document is the result of the Village's financial and operational planning process and serves as the guide for implementing those plans. The process brings together input from the elected officials, senior managers, departmental staff and the public to shape the Village's goals and objectives. While the Finance Director projects what fund balances will remain at the end of the current fiscal year to determine a "bottom line," as well as standard increases as dictated in union contracts and the like, the Departments are responsible for assessing current conditions, programs and needs. The Village Administrator and Finance Director meet with the individual department heads to discuss their initial funding requests. They review major operating changes, discuss objectives and review capital project requests. An effort is made to combine requests across departments and to discuss more efficiently accomplishing departmental goals. Any unjustified items are cut from the budget at this time.

A series of public hearings are held in the spring. The Village Administrator, Finance Director and individual department heads are present at the hearings to address issues and concerns by the Village President, Trustees and public. The tentative budget must be available for public inspection at least ten days prior to passage and a notice of public hearing must be published in a local newspaper at least one week prior to the hearing. After the public hearings, the budget may be further revised and passed without further inspection, notice or hearing. The final budget is passed in April.

The Illinois State Legislature requires employers, who have employees in the Illinois Municipal Retirement Fund, to post compensation packages of employees making \$150,000 or more annually on their municipal web site 6 days before the compensation package is approved and to post compensation packages of employees making \$75,000 or more annually on their web site 6 days after approving their budget. The Village complied with all legal requirements. Information regarding compensation packages for all Village employees can be found on the Village's website at <https://www.gurnee.il.us/government/transparency-portal/compensation-reports>.

This report includes budget and actual comparisons for the General Fund. The General Fund is the major fund component of the Governmental Activities statements and accounts for the bulk of the Village's revenue receipts and disbursements related to government services. The Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, can be found in the required supplementary information section of this report, the Schedule of Revenues Budget and Actual, and the Schedule of Expenditures Budget and Actual can be found in the other supplementary information section of this report.



VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
April 30, 2022

**Table 3**  
**General Fund Budgetary Highlights**  
**(in thousands)\***

	Budget	Actual	Variance from Budget	Percentage Difference
<b>REVENUES</b>				
Taxes	8,385	10,191	1,806	21.5%
Intergovernmental	27,062	34,408	7,346	27.1%
Charges for Service	3,704	4,967	1,263	34.1%
Licenses and Permits	934	1,004	70	7.4%
Fines and Forfeitures	1,520	1,376	(144)	(9.5%)
Interest Income	280	(384)	(664)	(237.2%)
Miscellaneous	1,080	123	(957)	(88.6%)
<b>Total Revenues</b>	<b>42,965</b>	<b>51,685</b>	<b>8,719</b>	<b>20.3%</b>
<b>EXPENDITURES</b>				
General Government	7,128	7,156	28	0.4%
Public Safety	30,783	30,403	(379)	(1.2%)
Highways and Streets	3,792	3,556	(235)	(6.2%)
Capital Outlay	612	209	(403)	(65.8%)
<b>Total Expenditures</b>	<b>42,314</b>	<b>41,325</b>	<b>(990)</b>	<b>(2.3%)</b>
<b>Net Change in Fund Balance</b>	<b>651</b>	<b>10,360</b>	<b>9,709</b>	<b>1491.6%</b>

\*Variation in values may occur due to rounding

General fund revenues were over budget by \$8.7 million or 20.3%. Several major revenue streams bounced back from the pandemic quicker than anticipated in addition to changes in internet sales tax legislation increasing sales taxes near the end of the year.

Taxes were \$2 million or 21.5% ahead budget largely due to revenues rebounding quicker than anticipated from the pandemic, amusement tax (+\$596 thousand), hotel & resort tax (+\$660 thousand), and food and beverage tax (+\$558 thousand).

Licenses and Permits were \$70 thousand, or 7.4%, ahead largely because business & liquor license (+\$66 thousand) were greater than anticipated. Charges for Services were \$1,263 thousand or 34.1% over budget. Charges for Services include, among other items, Ambulance Rescue Fees, Engineering Fees and Inspections, School Resource Police Officer Charges, Insurance Proceeds, and Cell Tower / Antenna rent. Significant positive variances included Ambulance fees (+\$898 thousand), tower rent (+\$118 thousand) and off duty police (+\$187 thousand).

Fines and Forfeitures were \$144 thousand, or 9.5%, behind budget. Fines and Forfeitures include red light camera violations, court fines, DUI fines, parking fines and false alarm fines. Significant negative variances include court fines (-\$36 thousand), ordinance violation fines (-\$16 thousand) and red light violations (-\$40 thousand).

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS

April 30, 2022

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Miscellaneous revenue was \$957 thousand, or 88.6%, behind budget. The variance is almost entirely due a budgeted use of fund balance (\$921 thousand).

Intergovernmental revenues were \$7 million, or 27.1%, over budget. Sales Taxes are the largest revenue source for the Village and posted a positive variance of \$3.7 million or 22.4%. This variance can be largely attributed to rebounding from the pandemic and passage of legislation changing the way internet transactions are taxed. Other positive variances in this category include Income Tax (+\$1,517 thousand) and Replacement Tax (+\$213 thousand). This category also includes a \$2.1 million grant as part of the American Rescue Plan Act COVID-19 relief program.

Interest income was below budget by \$664 thousand or 237.2% due to unrealized losses from rising interest rates depressing values in the Village's fixed income investment accounts.

Total General Fund expenditures were under budget by \$1.0 million or 2.3%. All classifications were under budget. As noted earlier the Village took a number of steps to reduce expenditures in response to the pandemic. Capital outlay had the largest variance due to delays in capital projects and supply chain delays for vehicles and equipment. Public safety was under budget due largely to employee turnover.

General Government expenditures were \$28 thousand, or 0.4%, over budget. The largest items contributing to the variance were; salaries & wage due to unanticipated cost of living increases. These were offset by savings in Public Safety and Highways and Streets.

Public Safety expenditures were \$379 thousand, or 1.2%, under budget. The largest items contributing to the positive variance were; salaries and wages (\$765 thousand) due to turnover, contractual services (\$129 thousand) and supplies (\$79 thousand) due to lower than anticipated radio communication expenses.

Highways and Streets classified expenditures were \$235 thousand, or 6.2% under budget. The largest items contributing to the positive variance were; salaries and wages (\$184 thousand) due to employee turnover, supplies (\$63 thousand) due to lower than anticipated expenses for snow & ice control materials and contractual services (\$10 thousand) due to lower maintenance expenses.

Capital Outlay was \$403 thousand or 65.8% under budget largely due to delaying building maintenance and improvements, computer software and hardware purchases and certain machinery and equipment as a result of delayed projects and supply chain issues.

The Village contributes to the Police and Firefighters' Pension funds from General fund revenues absent a property tax levy. Fiscal year 2021/2022 employer contributions were made based upon an independent actuarial calculation which was taken from the most recent audited fiscal year which ended prior to fiscal year budget completion (April 30, 2021). The Illinois Municipal Retirement Fund (IMRF) covers employees, other than those covered by Police and Firefighters' Pension plans, hired in positions that meet or exceed a prescribed hourly standard. The Village reduced the actuarial assumed rate of return on investments from 7.3% to 7.0% over the last two fiscal years. See Note 4, Employee Retirement System - Defined Benefit Pension Plans section for more information.

- Police Pension: The lump sum employer contribution for fiscal year 2021/2022 increased \$125 thousand, or 5.5%, from \$2.3 million to \$2.4 million.
- Firefighters' Pension: The lump sum employer contribution for fiscal year 2021/2022 increased \$97 thousand, or 5.2%, from \$1.9 million to \$2.0 million.
- IMRF: The Village employer rate decreased from the previous calendar year from 11.96% in 2021 to 11.57% in 2022.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS

April 30, 2022

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In addition to providing pension benefits, the Village provides other post-employment benefits to its retirees (OPEB) in the form of health insurance. This is a single employer defined benefit plan that includes employees, retirees, and Public Safety Employee Benefits Act (PSEBA) employees. All retirees contribute 100% of the actuarially determined premium to the plan. Public Safety employees who are classified as catastrophically disabled in accordance with the Public Safety Employee Benefit Act (820 ILCS 320) do not pay insurance premiums. The Village is responsible for the PSEBA employee and his/her spouse insurance coverage until death and the employee's children until age 25 with certain exceptions. As of April 30, 2021, the total OPEB liability each was \$5.98 million.

The total OPEB liability as a percentage of covered-employee payroll was 44.15%. The Village does not fund the liability in advance, but uses a "pay as you go" method. The Village has two PSEBA employees. The cost of providing insurance coverage for the PSEBA employees account for the majority of the \$5.98 million actuarial accrued liability. The accounting for this liability is in accordance with Statement No. 75 of the Governmental Accounting Standards Board.

Different measurement focus and bases of accounting are used in the accounting and financial reporting for the Village's governmental activities and government funds even though the financial statements for each essentially address the same Village operations. The economic resources measurement focus and the accrual basis of accounting are used for governmental activities. On the other hand, the current financial resources measurement focus and modified accrual basis of accounting are used for the governmental funds. To reconcile the fund balances of the governmental funds with the net position of governmental activities as of April 30, 2022, the Village has provided a reconciliation in the basic financial statements section of this report. The most significant reconciling items include:

- \$76.5 million of capital assets are included in the assets of governmental activities. Over the course of time, these costs were recorded as expenditures in the governmental funds.
- \$6.3 million in long-term deferred outflows/inflows related to pensions is not reported in the governmental funds.
- \$2.2 million of various Village tax revenues are deferred in the funds because they will be collected after year-end but are not available soon enough to pay for the current period's expenditures.
- \$35.5 million of long-term liabilities are not included in the governmental funds because they are not due and payable during the current period. Instead, payments are recorded as expenditures when due and payable.

#### **OTHER MAJOR FUNDS**

Fund balance increased by \$634 thousand in the Motor Fuel Tax Fund due to additional unanticipated funding from various state programs. Fund balance increased by \$8,172 thousand in the Capital Improvement Fund due to delaying capital projects due to the pandemic.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
April 30, 2022

**CAPITAL ASSETS**

The Village's investment in capital assets for its governmental and business-type activities is shown below (net of accumulated depreciation). Readers desiring more detailed information on capital asset activity should refer to Note 3 - Detail Notes on All Funds, Capital Assets section of this report.

**Table 4**  
**Capital Assets**  
**(in thousands)\***

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	34,508	34,508	5,039	5,039	39,547	39,547
Construction in Progress	6,269	3,271	2,056	1,000	8,325	4,271
Building and Improvements	10,772	10,949	1,934	1,991	12,707	12,940
Vehicles	6,269	7,046	1,534	1,565	7,803	8,611
Equipment	1,717	1,588	413	313	2,129	1,901
Leasehold Improvements	—	—	207	228	207	228
Water Plants and Mains	—	—	29,964	30,407	29,964	30,407
Sewer Plants and Mains	—	—	13,405	13,706	13,405	13,706
Storm Sewers	—	—	9,730	9,950	9,730	9,950
Infrastructure	17,004	17,497	—	—	17,004	17,497
<b>Total Net Capital Assets</b>	<b>76,539</b>	<b>74,859</b>	<b>64,283</b>	<b>64,200</b>	<b>140,821</b>	<b>139,059</b>

\*Variation in values may occur due to rounding

The Village's total capital assets, net of accumulated depreciation, increased by \$1.8 million from last fiscal year to the current fiscal year. Governmental Activities capital assets increased by \$1,680 thousand or 2.2% and Business-Type Activities increased by \$0.1 million or 0.1%.

Additions in the Governmental Funds consisted primarily of the construction in progress for Fire Station #3.

Additions in the Business-Type Funds consisted of water main and vehicles in construction in progress.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
April 30, 2022

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**DEBT ADMINISTRATION**

The table below shows the Village's bonded debt:

**Table 5**  
**Long-Term Debt**  
**(in thousands)\***

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Promissory Notes	5,277	2,778	—	—	5,277	2,778
IEPA Loans	—	—	4,659	5,129	4,659	5,129
Installment Contracts	—	—	1	11	1	11
<b>Total Debt</b>	<b>5,277</b>	<b>2,778</b>	<b>4,659</b>	<b>5,141</b>	<b>9,937</b>	<b>7,918</b>

\*Variation in values may occur due to rounding

The Village does not have any outstanding bonded debt. The Village utilized a low-interest IEPA Loan for the construction of the Knowles Road Water Tower. The loan is a 20-year obligation. The Village utilized a 10-year promissory note to finance Fire Station #3, which was paid off early subsequent to the reporting period.

The Illinois General Assembly has set no limits for home rule municipalities on the amount of debt outstanding; however, the Village adopted a Debt Policy in December 2005 that uses the non-home rule limitation of 8.625% of the most recent Equalized Assessed Valuation (EAV) of the property within the Village's corporate limits. The Village's outstanding debt as of April 30th is 0% of EAV. Readers desiring more detailed information on debt activity should refer to Note 3 – Detail Notes on All Funds, Long-Term Debt of this report.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
April 30, 2022

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**ECONOMIC FACTORS**

The Village's 2020 Equalized Assessed Valuation (EAV) increased \$17,013,146 to \$1,212,047,560 from \$1,195,034,414. Most Village property is located in Warren Township. There was \$4,390,824 of new property.

	Real Estate	Railroad	EAV	New Property	Annexations
Warren & Waukegan Townships	\$1,210,933,815	\$1,113,745	\$1,212,047,560	\$4,390,824	\$158,298

The principal property tax payers in Gurnee have remained stable for the past nine years. In both 2013 and 2022, the Mills Corporation (Gurnee Mills Mall) was the highest property tax payer and Six Flags Great America was the second highest property tax payer. The top ten principal property tax payers pay 11.8% of all property taxes in Gurnee. Most of these property tax payers are commercial endeavors, lessening the burden on residential owners. The Village of Gurnee does not levy a property tax.

The per capita personal income in Gurnee is \$47,671 and the unemployment rate is 5.3%. This compares to last year's \$46,432 per capita income and 5.3% unemployment rate.

On June 30, 2014 Standard & Poor's rating Services raised its long-term rating to "AAA" from "AA+" on the Village's 2009, 2011 and 2012 (retired) General Obligation bonds.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide residents, customers, investors and creditors with a general knowledge of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report may be directed to the Brian C. Gosnell, Director of Finance, Village of Gurnee, 325 N. O'Plaine Road, Gurnee, Illinois 60031.

## **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 Funds

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.

**VILLAGE OF GURNEE, ILLINOIS**

**Statement of Net Position**

**April 30, 2022**

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**See Following Page**



**VILLAGE OF GURNEE, ILLINOIS**

**Statement of Net Position**

**April 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 40,936,550	6,162,449	47,098,999
Receivables - Net of Allowances	10,069,039	1,883,026	11,952,065
Due from Other Governments	2,123,439	—	2,123,439
Inventories	459,764	—	459,764
Total Current Assets	53,588,792	8,045,475	61,634,267
Noncurrent Assets			
Capital Assets			
Nondepreciable	40,777,033	7,094,466	47,871,499
Depreciable	73,465,115	89,566,379	163,031,494
Accumulated Depreciation	(37,703,426)	(32,378,251)	(70,081,677)
	76,538,722	64,282,594	140,821,316
Other Asset			
Net Pension Asset - IMRF	3,355,164	438,040	3,793,204
Total Noncurrent Assets	79,893,886	64,720,634	144,614,520
Total Assets	133,482,678	72,766,109	206,248,787
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	1,448,401	189,099	1,637,500
Deferred Items - Police Pension	2,275,333	—	2,275,333
Deferred Items - Firefighters' Pension	1,230,364	—	1,230,364
Deferred Items - RBP	1,063,610	84,223	1,147,833
Deferred Items - ARO	—	417,768	417,768
Total Deferred Outflows of Resources	6,017,708	691,090	6,708,798
Total Assets and Deferred Outflows of Resources	139,500,386	73,457,199	212,957,585

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

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 945,703	502,097	1,447,800
Accrued Payroll	589,130	33,420	622,550
Medical Claims Payable	134,306	2,422	136,728
Deposits Payable	70,180	—	70,180
Accrued Interest Payable	12,534	—	12,534
Other Payables	1,870,555	521,638	2,392,193
Current Portion of Long-Term Liabilities	553,732	239,791	793,523
Total Current Liabilities	4,176,140	1,299,368	5,475,508
Noncurrent Liabilities			
Compensated Absences Payable	912,613	37,354	949,967
Net Pension Liability - Police Pension	12,969,992	—	12,969,992
Net Pension Liability - Firefighters' Pension	10,524,438	—	10,524,438
Total OPEB Liability - RBP	5,539,287	438,636	5,977,923
Promissory Notes Payable	4,951,903	—	4,951,903
IEPA Loans Payable	—	4,428,939	4,428,939
Installment Contracts Payable	—	—	—
Asset Retirement Obligation	—	440,000	440,000
Total Noncurrent Liabilities	34,898,233	5,344,929	40,243,162
Total Liabilities	39,074,373	6,644,297	45,718,670
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	423,702	—	423,702
Deferred Items - IMRF	5,801,837	757,470	6,559,307
Deferred Items - Police Pension	2,837,363	—	2,837,363
Deferred Items - Firefighters' Pension	2,828,701	—	2,828,701
Deferred Items - RBP	884,271	70,022	954,293
Total Deferred Inflows of Resources	12,775,874	827,492	13,603,366
Total Liabilities and Deferred Inflows of Resources	51,850,247	7,471,789	59,322,036
<b>NET POSITION</b>			
Net Investment in Capital Assets	71,261,240	59,623,202	130,884,442
Restricted - Motor Fuel Tax	2,041,425	—	2,041,425
Restricted - Public Safety	421,769	—	421,769
Unrestricted	13,925,705	6,362,208	20,287,913
Total Net Position	87,650,139	65,985,410	153,635,549

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

**VILLAGE OF GURNEE, ILLINOIS**

**Statement of Activities  
For the Fiscal Year Ended April 30, 2022**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 5,763,632	2,085,132	—	—
Public Safety	27,424,644	9,245,772	306,065	1,000,000
Highways and Streets	8,553,834	1,589,383	—	—
Interest on Long-Term Debt	120,026	—	—	—
<b>Total Governmental Activities</b>	<b>41,862,136</b>	<b>12,920,287</b>	<b>306,065</b>	<b>1,000,000</b>
<b>Business-Type Activities</b>				
Golf	21,142	—	—	—
Water and Sewer	8,902,121	9,720,384	—	—
<b>Total Business-Type Activities</b>	<b>8,923,263</b>	<b>9,720,384</b>	<b>—</b>	<b>—</b>
<b>Total Primary Government</b>	<b>50,785,399</b>	<b>22,640,671</b>	<b>306,065</b>	<b>1,000,000</b>

General Revenues  
 Taxes  
 Amusement Tax  
 Hotel Tax  
 Food and Beverage Tax  
 Telecommunications Tax  
 Other Taxes  
 Motor Fuel Tax  
 Home Rule Sales Tax  
 Intergovernmental - Unrestricted  
 Sales Tax  
 Income Tax  
 Replacement Tax  
 ARPA Grant  
 Interest Income  
 Miscellaneous  
 Internal Activity - Transfers

Change in Net Position  
 Net Position - Beginning  
 Net Position - Ending

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

Primary Government		
Net (Expenses)/Revenues		
Governmental Activities	Business-Type Activities	Totals
(3,678,500)	—	(3,678,500)
(16,872,807)	—	(16,872,807)
(6,964,451)	—	(6,964,451)
(120,026)	—	(120,026)
(27,635,784)	—	(27,635,784)
—	(21,142)	(21,142)
—	818,263	818,263
—	797,121	797,121
(27,635,784)	797,121	(26,838,663)
3,527,375	—	3,527,375
2,134,872	—	2,134,872
2,365,385	—	2,365,385
589,822	—	589,822
2,809,588	—	2,809,588
1,979,384	—	1,979,384
5,378,494	—	5,378,494
20,405,537	—	20,405,537
4,916,670	—	4,916,670
4,133,980	—	4,133,980
332,520	—	332,520
(313,467)	64,213	(249,254)
156,469	7,027	163,496
(158,407)	158,407	—
48,258,222	229,647	48,487,869
20,622,438	1,026,768	21,649,206
67,027,701	64,958,642	131,986,343
87,650,139	65,985,410	153,635,549

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

VILLAGE OF GURNEE, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2022

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	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 27,033,818
Receivables - Net of Allowances	
Taxes	7,082,979
Accounts	—
Other	474,396
Due from Other Governments	2,123,439
Due from Other Funds	145,081
Inventories	<u>291,056</u>
 Total Assets	 <u><u>37,150,769</u></u>
<b>LIABILITIES</b>	
Accounts Payable	788,629
Accrued Payroll	578,337
Due to Other Funds	—
Medical Claims Payable	134,306
Deposits Payable	70,180
Other Payables	<u>3,665,139</u>
Total Liabilities	5,236,591
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	<u>423,702</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>5,660,293</u></u>
<b>FUND BALANCES</b>	
Unspendable	291,056
Restricted	—
Committed	—
Unassigned	<u>31,199,420</u>
Total Fund Balances	<u><u>31,490,476</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>37,150,769</u></u>

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

Special Revenue	Capital Projects		
Motor Fuel Tax	Capital Improvement	Nonmajor	Totals
1,832,232	11,168,563	901,937	40,936,550
209,193	695,755	—	7,987,927
—	1,222,811	383,905	1,606,716
—	—	—	474,396
—	—	—	2,123,439
—	—	—	145,081
—	—	168,708	459,764
2,041,425	13,087,129	1,454,550	53,733,873
—	128,764	28,310	945,703
—	—	10,793	589,130
—	—	145,081	145,081
—	—	—	134,306
—	—	—	70,180
—	444,241	—	4,109,380
—	573,005	184,184	5,993,780
—	—	—	423,702
—	573,005	184,184	6,417,482
—	—	168,708	459,764
2,041,425	—	421,769	2,463,194
—	12,514,124	679,889	13,194,013
—	—	—	31,199,420
2,041,425	12,514,124	1,270,366	47,316,391
2,041,425	13,087,129	1,454,550	53,733,873

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

VILLAGE OF GURNEE, ILLINOIS

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

April 30, 2022

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<b>Total Governmental Fund Balances</b>	\$ 47,316,391
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.	76,538,722
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	3,355,164
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF Deferred Items - Police Pension Deferred Items - Firefighters' Pension Deferred Items - RBP	(4,353,436) (562,030) (1,598,337) 179,339
Various Village tax revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore, are deferred in the funds.	2,238,825
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Accrued Interest Payable Compensated Absences Payable Net Pension Liability - Police Pension Net Pension Liability - Firefighters' Pension Total OPEB Liability - RBP Promissory Note Payable	(12,534) (1,140,766) (12,969,992) (10,524,438) (5,539,287) <u>(5,277,482)</u>
<b>Net Position of Governmental Activities</b>	<u><u>87,650,139</u></u>

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

**VILLAGE OF GURNEE, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2022**

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**See Following Page**



VILLAGE OF GURNEE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2022

	<u>General</u>
Revenues	
Taxes	\$ 10,190,811
Intergovernmental	34,407,942
Charges for Services	4,966,695
Licenses and Permits	1,003,577
Fines and Forfeitures	1,376,300
Interest Income/(Loss)	(384,080)
Miscellaneous	123,312
Total Revenues	<u>51,684,557</u>
Expenditures	
General Government	7,155,696
Public Safety	30,403,267
Highways and Streets	3,556,419
Capital Outlay	209,318
Debt Service	
Principal Retirement	—
Interest and Fiscal Charges	—
Total Expenditures	<u>41,324,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,359,857</u>
Other Financing Sources (Uses)	
Debt Issuance	—
Transfers In	—
Transfers Out	(4,100,000)
	<u>(4,100,000)</u>
Net Change in Fund Balances	6,259,857
Fund Balances - Beginning	<u>25,230,619</u>
Fund Balances - Ending	<u><u>31,490,476</u></u>

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

Special Revenue	Capital Projects		
Motor Fuel Tax	Capital Improvement	Nonmajor	Totals
—	5,378,494	—	15,569,305
1,979,384	1,000,000	—	37,387,326
—	—	2,262,305	7,229,000
—	—	—	1,003,577
—	—	100,200	1,476,500
2,058	68,363	192	(313,467)
—	33,157	—	156,469
1,981,442	6,480,014	2,362,697	62,508,710
—	—	—	7,155,696
—	—	—	30,403,267
1,347,150	—	1,315,211	6,218,780
—	4,928,986	955,231	6,093,535
—	161,178	—	161,178
—	128,511	—	128,511
1,347,150	5,218,675	2,270,442	50,160,967
634,292	1,261,339	92,255	12,347,743
—	2,660,636	—	2,660,636
—	4,250,000	—	4,250,000
—	—	(308,407)	(4,408,407)
—	6,910,636	(308,407)	2,502,229
634,292	8,171,975	(216,152)	14,849,972
1,407,133	4,342,149	1,486,518	32,466,419
2,041,425	12,514,124	1,270,366	47,316,391

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

VILLAGE OF GURNEE, 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, 2022**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 14,849,972

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	4,188,721
Depreciation Expense	(2,411,082)
Disposals - Cost	(376,192)
Disposals - Accumulated Depreciation	278,480

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

Change in Deferred Items - IMRF	(1,828,319)
Change in Deferred Items - Police Pension	10,911,373
Change in Deferred Items - Firefighters' Pension	4,518,363
Change in Deferred Items - RBP	(1,107,316)

Because various revenues will not be collected for several months after the Village's  
year-end, they are not considered available revenues and are deferred in  
governmental funds.

134,271

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	24,506
Change in Net Pension Liability/(Asset) - IMRF	3,766,837
Change in Net Pension Liability - Police Pension	(7,830,379)
Change in Net Pension Liability - Firefighters' Pension	(3,307,733)
Change in Total OPEB Liability - RBP	1,301,909
Issuance of Debt	(2,660,636)
Retirement of Debt	161,178

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.

8,485

**Changes in Net Position of Governmental Activities**

20,622,438

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

**VILLAGE OF GURNEE, ILLINOIS**

**Statement of Net Position - Proprietary Funds**

**April 30, 2022**

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**See Following Page**

VILLAGE OF GURNEE, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2022

	Business-Type Activities - Enterprise Funds		
	Golf Course	Water and Sewer	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 312,349	5,850,100	6,162,449
Receivables - Net of Allowances			
Accounts	2,037	1,885,989	1,888,026
Other	(5,000)	—	(5,000)
Total Current Assets	309,386	7,736,089	8,045,475
Noncurrent Assets			
Capital Assets			
Nondepreciable	4,494,436	2,600,030	7,094,466
Depreciable	422,834	89,143,545	89,566,379
Accumulated Depreciation	(215,534)	(32,162,717)	(32,378,251)
Total Capital Assets	4,701,736	59,580,858	64,282,594
Other Assets			
Net Pension Asset - IMRF	—	438,040	438,040
Total Noncurrent Assets	4,701,736	60,018,898	64,720,634
Total Assets	5,011,122	67,754,987	72,766,109
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	—	189,099	189,099
Deferred Items - RBP	—	84,223	84,223
Deferred Items - ARO	—	417,768	417,768
Total Deferred Outflows of Resources	—	691,090	691,090
Total Assets and Deferred Outflow of Resources	5,011,122	68,446,077	73,457,199

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

	Business-Type Activities - Enterprise Funds		
	Golf	Water and	Totals
	Course	Sewer	
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ —	502,097	502,097
Accrued Payroll	—	33,420	33,420
Medical Claims Payable	—	2,422	2,422
Other Payables	35,000	486,638	521,638
Current Portion of Long-Term Debt	870	238,921	239,791
Total Current Liabilities	35,870	1,263,498	1,299,368
Noncurrent Liabilities			
Compensated Absences Payable	—	37,354	37,354
Total OPEB Liability - RBP	—	438,636	438,636
IEPA Loan Payable	—	4,428,939	4,428,939
Asset Retirement Obligation	—	440,000	440,000
Total Noncurrent Liabilities	—	5,344,929	5,344,929
Total Liabilities	35,870	6,608,427	6,644,297
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	—	757,470	757,470
Total Liabilities and Deferred Inflows of Resources	35,870	7,365,897	7,401,767
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,700,866	54,922,336	59,623,202
Unrestricted	274,386	6,087,822	6,362,208
Total Net Position	4,975,252	61,010,158	65,985,410

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

VILLAGE OF GURNEE, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
For the Fiscal Year Ended April 30, 2022

	Business-Type Activities - Enterprise Funds		
	Golf Course	Water and Sewer	Totals
Operating Revenues			
Charges for Services	\$ —	9,720,384	9,720,384
Operating Expenses			
Operations	—	7,135,710	7,135,710
Depreciation and Amortization	21,142	1,637,326	1,658,468
Total Operating Expenses	21,142	8,773,036	8,794,178
Operating Income (Loss)	(21,142)	947,348	926,206
Nonoperating Revenues (Expenses)			
Interest Income	57,409	6,804	64,213
Other Income	—	7,027	7,027
Interest Expense	—	(129,085)	(129,085)
	57,409	(115,254)	(57,845)
Income Before Transfers	36,267	832,094	868,361
Transfers In	—	158,407	158,407
Change in Net Position	36,267	990,501	1,026,768
Net Position - Beginning	4,938,985	60,019,657	64,958,642
Net Position - Ending	4,975,252	61,010,158	65,985,410

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

VILLAGE OF GURNEE, ILLINOIS

Statement of Cash Flows - Proprietary Funds  
For the Fiscal Year Ended April 30, 2022

	Business-Type Activities - Enterprise Funds		
	Golf Course	Water and Sewer	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 42,132	9,776,912	9,819,044
Payments to Employees	—	(1,057,989)	(1,057,989)
Payments to Suppliers	—	(5,919,278)	(5,919,278)
	<u>42,132</u>	<u>2,799,645</u>	<u>2,841,777</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	—	158,407	158,407
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	—	(1,719,003)	(1,719,003)
IEPA Loan Proceeds	—	—	—
Principal on Capital Related Debt	(10,445)	(470,879)	(481,324)
Interest on Capital Related Debt	—	(129,085)	(129,085)
	<u>(10,445)</u>	<u>(2,318,967)</u>	<u>(2,329,412)</u>
Cash Flows from Investing Activities			
Interest Received	57,409	6,804	64,213
Net Change in Cash and Cash Equivalents	89,096	645,889	734,985
Cash and Cash Equivalents - Beginning	223,253	5,204,211	5,427,464
Cash and Cash Equivalents - Ending	<u>312,349</u>	<u>5,850,100</u>	<u>6,162,449</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(21,142)	947,348	926,206
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	21,142	1,637,326	1,658,468
Other Income	—	7,027	7,027
(Increase) Decrease in Current Assets	42,132	49,501	91,633
Increase (Decrease) in Current Liabilities	—	158,443	158,443
Net Cash Provided by Operating Activities	<u>42,132</u>	<u>2,799,645</u>	<u>2,841,777</u>

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



**VILLAGE OF GURNEE, ILLINOIS**

**Statement of Fiduciary Net Position**

**April 30, 2022**

	Pension Trust	Custodial NE Lake County Consolidated ETSB
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 8,177,521	2,476,831
Investments		
U.S. Treasury Obligations	2,742,626	—
U.S. Agency Obligations	10,057,263	—
Corporate Bonds	6,540,154	—
Equity Mutual Funds	45,828,647	—
Illinois Firefighters' Pension Consolidated Investment Fund	49,558,676	—
Receivables - Net of Allowances		
Accounts	—	69,878
Accrued Interest Receivable	42,184	—
Prepays	6,455	—
Total Assets	122,953,526	2,546,709
<b>LIABILITIES</b>		
Accounts Payable	30,589	437,574
<b>NET POSITION</b>		
Restricted for		
Pensions	122,922,937	—
Individuals, Organizations, and Other Governments	—	2,109,135
	122,922,937	2,109,135

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

VILLAGE OF GURNEE, ILLINOIS

Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2022

	Pension Trust	Custodial NE Lake County Consolidated ETSB
<b>Additions</b>		
Contributions - Employer	\$ 4,664,801	—
Contributions - Plan Members	1,484,463	—
Total Contributions	<u>6,149,264</u>	<u>—</u>
<b>Investment Earnings</b>		
Interest Earned	988,082	2,227
Net Change in Fair Value	(9,730,083)	—
	<u>(8,742,001)</u>	<u>2,227</u>
Less Investment Expenses	(353,935)	—
Net Investment Income	<u>(9,095,936)</u>	<u>2,227</u>
Charges for Services	<u>—</u>	<u>906,402</u>
Total Additions	<u>(2,946,672)</u>	<u>908,629</u>
<b>Deductions</b>		
Administration	5,529,040	—
Benefits and Refunds	118,022	—
Professional Services	—	672,969
Total Deductions	<u>5,647,062</u>	<u>672,969</u>
Change in Fiduciary Net Position	(8,593,734)	235,660
<b>Net Position Restricted for Pensions, Individuals, Organizations, and Other Governments</b>		
Beginning	<u>131,516,671</u>	<u>1,873,475</u>
Ending	<u><u>122,922,937</u></u>	<u><u>2,109,135</u></u>

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

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Gurnee, Illinois (the Village) was incorporated in 1928. The Village is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, water and sanitary sewerage services, golf course services, and general administrative services.

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

#### REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Gurnee
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In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village.

#### Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board.

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

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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

#### REPORTING ENTITY - Continued

##### Firefighters' Pension Employees Retirement System

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

#### BASIS OF PRESENTATION

##### Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's golf course and water and sewer 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 Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

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

The net costs (by function or business-type activity) are normally covered by general revenue (sales tax, intergovernmental revenues, interest income, etc.).

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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

#### BASIS OF PRESENTATION - Continued

##### Government-Wide Statements - Continued

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

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

##### Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

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 Village electively added funds, as major funds, which either have debt outstanding or a specific or 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 Village or meets the following criteria:

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

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

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

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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

#### BASIS OF PRESENTATION - Continued

##### Fund Financial Statements - Continued

##### Governmental Funds

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

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

*Special revenue funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one major special revenue fund, the Motor Fuel Tax Fund. The Motor Fuel Tax Fund is used to account for the restricted revenues used for the maintenance and construction of streets and roads as approved by the Illinois Department of Transportation. The Village maintains three nonmajor special revenue funds.

*Capital projects funds* are used to account for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains one major capital projects fund. The Capital Improvement Fund is used to account for the acquisition and improvement of Village property including infrastructure and general capital assets. The Village maintains one nonmajor capital projects fund.

##### Proprietary Funds

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

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

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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

#### BASIS OF PRESENTATION - Continued

##### Fiduciary Funds

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

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

*Custodial funds* are used to account for assets held by the Village in a purely custodial capacity. The Village maintains one custodial fund. The NE Lake County consolidated ETSB Fund accumulates funds distributed under the State of Illinois 911 Administrator for the payment of approved expenditures related to the joint dispatch operation between the Village of Gurnee and City of Zion.

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

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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

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

##### Measurement Focus - Continued

All proprietary, pension trust, and custodial funds 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 Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues, except for sales taxes and utility taxes which use a 90-day period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise 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, pension trust and custodial 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.



# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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

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

##### Basis of Accounting - Continued

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

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

##### Cash and Investments

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

##### Receivables

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

##### Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. 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. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

**Interfund Receivables, Payables and Activity**

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

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$25,000 or more, depending on asset class, are reported at historical cost or acquisition 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 Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

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

Buildings and Improvements	20 - 50 Years
Vehicles	8 - 15 Years
Equipment	5 - 10 Years
Infrastructure	50 Years
Leasehold Interest	20 - 50 Years
Water Plant and Mains	30 - 75 Years
Sewer Plant and Mains	75 Years
Storm Sewers	75 Years

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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

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

##### Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits.

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.

##### 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.

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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

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

##### Net Position - Continued

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."

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Village staff submits to the Board a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures, expenses and the means of financing them.
- A public budget hearing is conducted.
- The budget is legally enacted through passage of an ordinance.
- The budget may be amended by the Board of Trustees and the Budget Officer.

The level of control (level at which expenditures may not exceed budget) is each individual fund. The Village Board of Trustees has delegated authority to the Budget Officer to delete, add to, change or create sub-classes within object-classes budgeted previously, with the exception of salaries specifically approved by the Board, but may not change the total budget of a fund. By vote of two-thirds, the budget may be revised by the Board of Trustees. Budgets were adopted for all funds on a basis of accounting consistent with GAAP. During the year, several supplementary appropriations were necessary.

### NOTE 3 - DETAIL NOTES ON ALL FUNDS

#### DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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

#### DEPOSITS AND INVESTMENTS - Continued

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

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

The deposits and investments of the Police Pension Fund are held separately from those of other Village funds. Statutes authorize the Police Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Police Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase.

Pension Trust Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Trust Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Trust Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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

**DEPOSITS AND INVESTMENTS - Continued**

**Village**

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$31,917,545 the bank balances totaled \$34,875,576.

*Investments.* The Village has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 519,575	372,575	147,000	—	—
U.S. Agency Obligations	3,313,542	492,871	2,820,671	—	—
State and Local Obligations	2,907,000	24,980	2,882,020	—	—
Corporate Bonds	985,995	—	985,995	—	—
Illinois Funds	7,455,342	7,455,342	—	—	—
<b>Totals</b>	<b>15,181,454</b>	<b>8,345,768</b>	<b>6,835,686</b>	<b>—</b>	<b>—</b>

The Village has the following recurring fair value measurements as of April 30, 2022:

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)
<b>Debt Securities</b>				
U.S. Treasury Obligations	\$ 519,575	519,575	—	—
U.S. Agency Obligations	3,313,542	—	3,313,542	—
State and Local Obligations	2,907,000	—	2,907,000	—
Corporate Bonds	985,995	—	985,995	—
<b>Total Investments by Fair Value Level</b>	<b>6,740,117</b>	<b>519,575</b>	<b>7,206,537</b>	<b>—</b>
<b>Investments Measured at the Net Asset Value (NAV)</b>				
Illinois Funds	7,455,342			
<b>Total Investments Measured at Fair Value</b>	<b>15,181,454</b>			

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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

#### DEPOSITS AND INVESTMENTS - Continued

##### Village - Continued

*Investments - Continued.* 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.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. According to the Village's investment policy, the Village minimizes interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools. Unless matched to a specific cash flow requirement, the Village will not directly invest funds in the General Fund, Debt Service, Enterprise and Special Revenue Funds in security maturing more than (2) years from the date of purchase. Reserve funds may be invested in securities exceeding (2) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the Village Board prior to the investment transaction being executed.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. At year-end, the Village's investment in the state and local obligations are rated A+ to AA-, the U.S. Agency obligations are rated AA+, the Illinois Funds are rated AAAM, and the corporate bonds are rated AAAM by Standard & Poor's.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires third party collateralization of all deposits in excess of FDIC limits. At year-end, the Village is not exposed to custodial credit risk for deposits because all deposits were covered by FDIC insurance or sufficiently collateralized. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy requires that all investments in excess of insurance limits be collateralized. At year-end, the Village's investment in the Illinois Funds is not subject to custodial credit risk.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy requires diversification of investments to eliminate the risk of loss resulting from over concentration of a specific issuer or class of securities. At year-end, the Village has no investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$8,167,556 and the bank balances totaled \$8,167,556.

*Investments.* The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2022:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 2,742,626	1,181,699	1,200,672	360,255	—
U.S. Agency Obligations	10,057,263	—	4,472,790	4,353,248	1,231,225
Corporate Bonds	6,540,154	661,285	1,987,889	3,890,980	—
Totals	19,340,043	1,842,984	7,661,351	8,604,483	1,231,225

The Fund has the following recurring fair value measurements as of April 30, 2022:

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. Treasury Obligations	\$ 2,742,626	2,742,626	—	—
U.S. Agency Obligations	10,057,263	—	10,057,263	—
Corporate Bonds	6,540,154	—	6,540,154	—
Equity Securities				
Mutual Funds	43,885,616	43,885,616	—	—
Total Investments by Fair Value Level	63,225,659	46,628,242	16,597,417	—

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.



# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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

#### DEPOSITS AND INVESTMENTS - Continued

##### Police Pension Fund - Continued

*Interest Rate Risk.* In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

*Credit Risk.* The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Fund's investment policy also prescribes to the "prudent expert" rule, which states, "Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims." The investments in securities of U.S. Government Agencies were all rated AA+ or Aaa by Standard & Poor's and Moody's and Corporate Bonds are rates BBB+ to AA+ by Standard & Poor's.

*Custodial Credit Risk.* At year-end, \$18,586 of the bank balance of the deposits was not covered by federal depository or equivalent insurance, and represents cash at paying agent for debt service payments. The Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions. Money market mutual funds and equity mutual funds are not subject to custodial credit risk.

The Fund limits its exposure to custodial credit risk for investments by utilizing an independent third-party institution, selected by the Fund, to act as custodian for its securities and collateral. The Fund does not have a formal written policy with regards to custodial credit risk for deposits or investments.

*Concentration of Credit Risk.* The Fund's investment policy states the Fund will "prudently diversify the Fund's assets to meet an agreed upon risk/return profile." At year-end, the Fund does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). The Fund also has \$43,885,616 invested equity mutual funds. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund -Continued

*Concentration of Credit Risk - Continued.* The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	9.00%	(0.60%) - 0.73%
Equities	90.00%	(0.25%) - 7.15%
Cash and Cash Equivalents	1.00%	(0.27%)

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2022 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2022, are listed in the table above.

**Rate of Return**

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (7.18%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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

#### DEPOSITS AND INVESTMENTS - Continued

##### 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 report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2021. A copy of that report 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). The Fund transferred all eligible assets to the IFPIF on October 1, 2021.

*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 cash on hand totaled \$9,965 and the bank balances totaled \$9,965.

*Custodial Credit Risk.* The Fund's investment policy states that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default. At April 30, 2022, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

*Investments.* At year-end the Fund has \$49,558,676 invested in IFPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at [www.ifpif.org](http://www.ifpif.org). In addition to the securities listed above, the Fund also has \$1,943,031 invested in mutual funds.

*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, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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

**PROPERTY TAXES**

Property taxes for the 2021 levy 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 September 1. The County collects such taxes and remits them periodically. The Village did not levy property taxes for the 2021 tax levy year; however, the Village did receive Road and Bridge taxes in the amounts of \$431,272.

**INTERFUND BALANCES**

Interfund balances 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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	911	<u>\$ 145,081</u>

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Capital Improvement	General Fund	\$ 4,100,000
Capital Improvement	Nonmajor Governmental	150,000
Water and Sewer	Nonmajor Governmental	<u>158,407</u>
		<u>4,408,407</u>

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.

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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	\$ 34,507,882	—	—	34,507,882
Construction in Progress	3,271,195	2,997,956	—	6,269,151
	<u>37,779,077</u>	<u>2,997,956</u>	<u>—</u>	<u>40,777,033</u>
Depreciable Capital Assets				
Building and Improvements	18,531,884	199,265	—	18,731,149
Vehicles	13,310,156	377,382	376,192	13,311,346
Equipment	6,831,647	427,703	—	7,259,350
Infrastructure	33,976,855	186,415	—	34,163,270
	<u>72,650,542</u>	<u>1,190,765</u>	<u>376,192</u>	<u>73,465,115</u>
Less Accumulated Depreciation				
Building and Improvements	7,583,159	375,737	—	7,958,896
Vehicles	6,264,046	1,057,049	278,480	7,042,615
Equipment	5,244,113	298,712	—	5,542,825
Infrastructure	16,479,506	679,584	—	17,159,090
	<u>35,570,824</u>	<u>2,411,082</u>	<u>278,480</u>	<u>37,703,426</u>
Total Net Depreciable Capital Assets	<u>37,079,718</u>	<u>(1,220,317)</u>	<u>97,712</u>	<u>35,761,689</u>
Total Net Capital Assets	<u>74,858,795</u>	<u>1,777,639</u>	<u>97,712</u>	<u>76,538,722</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 155,252
Public Safety	1,182,838
Highways and Streets	<u>1,072,992</u>
	<u>2,411,082</u>

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 5,038,690	—	—	5,038,690
Construction in Progress	999,815	1,055,961	—	2,055,776
	<u>6,038,505</u>	<u>1,055,961</u>	<u>—</u>	<u>7,094,466</u>
<b>Depreciable Capital Assets</b>				
Building and Improvements	2,819,139	—	—	2,819,139
Vehicles	2,435,729	158,406	—	2,594,135
Equipment	1,515,525	154,752	—	1,670,277
Leasehold Interests	422,834	—	—	422,834
Water Plants and Mains	42,597,379	349,884	—	42,947,263
Sewer Plants and Mains	22,575,042	—	—	22,575,042
Storm Sewers	16,537,689	—	—	16,537,689
	<u>88,903,337</u>	<u>663,042</u>	<u>—</u>	<u>89,566,379</u>
<b>Less Accumulated Depreciation</b>				
Building and Improvements	828,025	56,666	—	884,691
Vehicles	870,541	189,422	—	1,059,963
Equipment	1,202,355	55,022	—	1,257,377
Leasehold Interests	194,392	21,142	—	215,534
Water Plants and Mains	12,190,352	792,480	—	12,982,832
Sewer Plants and Mains	8,868,743	301,000	—	9,169,743
Storm Sewers	6,587,607	220,504	—	6,808,111
	<u>30,742,015</u>	<u>1,636,236</u>	<u>—</u>	<u>32,378,251</u>
Total Net Depreciable Capital Assets	<u>58,161,322</u>	<u>(973,194)</u>	<u>—</u>	<u>57,188,128</u>
Total Net Capital Assets	<u>64,199,827</u>	<u>82,767</u>	<u>—</u>	<u>64,282,594</u>

Depreciation expense was charged to business-type activities as follows:

Golf Course	\$ 21,142
Water and Sewer	<u>1,615,094</u>
	<u>1,636,236</u>

**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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

**LONG-TERM DEBT**

**IEPA Loans Payable**

The Village has entered into loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. Final repayment schedule for the IEPA Loans Payable of 2019 is not available at the time of the issuance of this report. IEPA Loans Payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan #L17-5394 of 2019, due in semi-annual installments including 1.840% interest bearing, through November 30, 2039.	Water and Sewer	\$ 5,129,401	—	470,879	4,658,522

**Installment Contract Payable**

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Installment Contract of 2019 - Due in annual installments of \$10,445 plus interest at 3.60% through May 1, 2022.	Golf Course	\$ 11,315	—	10,445	870

**Promissory Notes Payable**

The Village enters into promissory notes payable for the purpose of constructing a new fire station. Promissory notes payable have been issued for the governmental activities. Promissory notes payable are direct obligations and pledge the full faith and credit of the Village. Promissory notes payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retireme	Ending Balances
General Obligation Promissory Note of 2020 - Due in annual installments of \$172,943 to \$2,599,686 plus interest at 2.85% through September 15, 2030.	Capital Improvements	\$ 2,778,024	2,660,636	161,178	5,277,482

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 1,165,272	24,506	49,012	1,140,766	228,153
Net Pension Liability/(Asset) - IMRF	411,673	—	3,766,837	(3,355,164)	—
Net Pension Liability - Police Pension	5,139,613	7,830,379	—	12,969,992	—
Net Pension Liability - Firefighters' Pension	7,216,705	3,307,733	—	10,524,438	—
Total OPEB Liability - RBP	6,841,196	—	1,301,909	5,539,287	—
Promissory Notes	2,778,024	2,660,636	161,178	5,277,482	325,579
	<u>23,552,483</u>	<u>13,823,254</u>	<u>5,278,936</u>	<u>32,096,801</u>	<u>553,732</u>
<b>Business-Type Activities</b>					
Compensated Absences	54,132	7,440	14,880	46,692	9,338
Net Pension Liability/(Asset) - IMRF	59,645	—	497,685	(438,040)	—
Total OPEB Liability - RBP	182,381	256,255	—	438,636	—
IEPA Loans Payable	5,129,401	—	470,879	4,658,522	229,583
Installment Contracts Payable	11,315	—	10,445	870	870
Asset Retirement Obligation	440,000	—	—	440,000	—
	<u>5,876,874</u>	<u>263,695</u>	<u>993,889</u>	<u>5,146,680</u>	<u>239,791</u>

For governmental activities, the compensated absences, the net pension liabilities, and the total OPEB liability are liquidated by the General Fund. The Capital Improvement Fund makes payments on the promissory notes.

For business-type activities, the Water and Sewer Fund makes payments on the compensated absences, the net pension liability, the total OPEB liability, the IEPA loans payable, and the asset retirement obligation. The Golf Course Fund makes payments on the installment contracts payable.



**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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

**LONG-TERM DEBT - Continued**

**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 Obligation Promissory Note		Installment Contract	
	Principal	Interest	Principal	Interest
2023	\$ 325,579	148,105	870	31
2024	334,945	138,760	—	—
2025	344,538	129,146	—	—
2026	354,427	119,257	—	—
2027	364,600	109,084	—	—
2028	375,066	98,619	—	—
2029	385,831	87,853	—	—
2030	396,906	76,779	—	—
2031	2,395,590	34,137	—	—
Totals	5,277,482	941,740	870	31

**Legal Debt Margin**

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

**Sales Tax Rebates**

The Village has entered into various tax rebate agreements with local corporations under Village code. Under these agreements, the Village rebates a portion of hotel and resort taxes. For the fiscal year ended April 30, 2022, the Village paid \$1,257,643 in rebate agreements.

**Asset Retirement Obligation**

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells and demolition of the Village’s water towers and standpipes at the end of their useful lives in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells are 23 years.

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 76,538,722
Less Capital Related Debt:	
General Obligation Promissory Note of 2020	<u>(5,277,482)</u>
Net Investment in Capital Assets	<u>71,261,240</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	64,282,594
Less Capital Related Debt:	
IEPA Loan #L17-5394 of 2019	4,658,522
Installment Contract of 2019	<u>870</u>
Net Investment in Capital Assets	<u>59,623,202</u>

FUND BALANCE CLASSIFICATIONS

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

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

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

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

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

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

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

*Minimum Fund Balance Policy.* The Village's fund balance policy states that unassigned fund balance in the General Fund shall represent a minimum of 35% of the current years' budgeted expenditures. Balances in excess of the 35% minimum may be transferred to the Capital Improvement Fund to support future capital projects through Board approval.

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

	General	Special Revenue Motor Fuel Tax	Capital Projects Capital Improvement	Nonmajor	Totals
Fund Balances					
Nonspendable					
Inventories	\$ 291,056	—	—	168,708	459,764
Restricted					
Motor Fuel Tax	—	2,041,425	—	—	2,041,425
Public Safety	—	—	—	421,769	421,769
	—	2,041,425	—	421,769	2,463,194
Committed					
Capital Improvement	—	—	12,514,124	262,061	12,776,185
Impact Fees	—	—	—	417,828	417,828
	—	—	12,514,124	679,889	13,194,013
Unassigned	31,199,420	—	—	—	31,199,420
Total Fund Balances	31,490,476	2,041,425	12,514,124	1,270,366	47,316,391

**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 4 - OTHER INFORMATION**

**JOINT VENTURE**

**Central Lake County Joint Action Water Agency (CLCJAWA)**

The Village is a charter member of the Central Lake County Joint Action Water Agency (the Agency). The Agency was formed by a group of local governments to construct and operate a system to provide adequate supplies of Lake Michigan water on an economical and efficient basis for its members or participants.

As a charter member, the Village was required to enter into a water purchase and sale contract with the Agency. This contract requires the Village to purchase from the Agency an amount of water necessary to serve its full water requirements. Total purchases for the year ended April 30, 2022 were \$2,378,230.

Complete financial statements for the Agency can be obtained from the Agency offices at 200 Rockland Road, Lake Bluff, Illinois 60044.

**RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village currently reports all its risk management activities in its General Fund and Water and Sewer Fund.

The Village is a member of the Municipal Insurance Cooperative Agency (MICA) for claims relating to workers' compensation, liability, auto, and property insurance. MICA is a pooled insurance program for Illinois Public Entities. Fund contributions are held by MICA and premiums are paid to carriers for comprehensive excess insurance.

The Village is self-insured for health insurance and uses a third-party administrator to process claims. The Village is responsible for the first \$75,000 of any claim after which stop-loss coverage has been purchased. The aggregate stop loss for the plan is \$1,000,000.

	Fiscal Year Ended	
	4/30/22	4/30/21
Claims Payable - Beginning	\$ 133,094	115,659
Incurred Claims	4,389,117	4,738,392
Claims Paid	(4,385,483)	(4,720,957)
Claims Payable - Ending	136,728	133,094

**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**CONTINGENT LIABILITIES**

**Litigation**

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

**Grants**

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

**Financial Impact from COVID-19**

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

**COMMITMENTS**

**Central Lake County Joint Action Water Agency (CLCJAWA)**

The government has committed to purchase water from the Central Lake County Joint Action Water Agency (CLCJAWA). The government expects to pay the following minimum amounts:

Fiscal Year	Amount
2023	2,425,200
2024	2,515,500
2025	2,515,500
2026	2,567,100
2027	2,608,971
2028 - 2032	14,056,450
2033 - 2037	<u>15,903,550</u>
	<u><u>42,592,271</u></u>

These amounts have been calculated using the government's current allocation percentage in accordance with the contract. In future years this allocation percentage will be subject to change.

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighters' Pension Plans and can be obtained by writing the Village of Gurnee at 325 O'Plaine Road, Gurnee, Illinois 60031. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](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.

The aggregate amount recognized for the pension plans is:

	Net Pension			
	Liabilities/ (Assets)	Deferred Outflows	Deferred Inflows	Expenses/ (Revenues)
IMRF	\$ (3,793,204)	1,637,500	6,559,307	(1,243,165)
Police Pension	12,969,992	2,275,333	2,837,363	(526,875)
Firefighters' Pension	10,524,438	1,230,364	2,828,701	900,052
	<u>19,701,226</u>	<u>5,143,197</u>	<u>12,225,371</u>	<u>(869,988)</u>

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

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

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

*Benefits Provided - Continued.* 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.

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, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	83
Inactive Plan Members Entitled to but not yet Receiving Benefits	36
Active Plan Members	<u>99</u>
Total	<u><u>218</u></u>

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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**NOTE 4 - OTHER INFORMATION - Continued**

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

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

**Plan Descriptions - Continued**

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2022, the Village's contribution was 11.15% of covered payroll.

*Net Pension (Asset).* The Village's net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, 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	3.25%
Inflation	2.25%

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



VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

*Actuarial Assumptions - Continued.* 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	25.00%	(0.60%)
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90%)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Village'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.

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset) \$	3,143,581	(3,793,204)	(9,107,077)

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2020	\$ 49,233,712	48,762,394	471,318
Changes for the year:			
Service Cost	766,354	—	766,354
Interest	3,521,490	—	3,521,490
Difference Between Expected and Actual Experience of the Total Pension Liability	898,053	—	898,053
Changes of Assumptions	—	—	—
Contributions - Employer	—	990,567	(990,567)
Contributions - Employees	—	385,268	(385,268)
Net Investment Income	—	8,097,135	(8,097,135)
Benefit Payments, including Refunds of Employee Contributions	(2,089,240)	(2,089,240)	—
Other (Net Transfer)	—	(22,551)	22,551
Net Changes	3,096,657	7,361,179	(4,264,522)
Balances at December 31, 2021	52,330,369	56,123,573	(3,793,204)

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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, 2022, the Village recognized pension revenue of \$1,243,165. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 880,822	(2,676)	878,146
Change in Assumptions	456,600	(477,567)	(20,967)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(6,079,064)	(6,079,064)
Total Pension Expense to be Recognized in Future Periods	1,337,422	(6,559,307)	(5,221,885)
Contributions Sub to Measurement Date	300,078	—	300,078
Total Deferred Amounts Related to IMRF	<u>1,637,500</u>	<u>(6,559,307)</u>	<u>(4,921,807)</u>

\$300,078 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 in the reporting year ended April 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (1,093,428)
2024	(1,995,415)
2025	(1,397,077)
2026	(787,853)
2027	51,888
Thereafter	<u>—</u>
Totals	<u>(5,221,885)</u>

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan

Plan Descriptions

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

*Plan Membership.* At April 30, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	43
Inactive Plan Members Entitled to but not yet Receiving Benefits	14
Active Plan Members	<u>61</u>
Total	<u><u>118</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.

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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### NOTE 4 - OTHER INFORMATION - Continued

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

##### Police Pension Plan - Continued

##### Plan Descriptions - Continued

*Benefits Provided - Continued.* 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 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2022, the Village's contribution was 40.71% 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).

**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

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

**Police Pension Plan - Continued**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.50% - 11.00%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the PubS-2010 employee mortality, projected 5 years past the valuation date with Scale MP-2019.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police 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 net pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 26,021,811	\$ 12,969,992	\$ 2,393,625

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2021	\$ 82,590,331	77,450,718	5,139,613
Changes for the Year:			
Service Cost	1,639,918	—	1,639,918
Interest on the Total Pension Liability	5,498,341	—	5,498,341
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(2,206,240)	—	(2,206,240)
Changes of Assumptions	385,344	—	385,344
Contributions - Employer	—	2,554,119	(2,554,119)
Contributions - Employees	—	875,201	(875,201)
Contributions - Buy Backs	—	—	—
Net Investment Income	—	(5,867,816)	5,867,816
Benefit Payments, Including Refunds of Employee Contributions	(3,526,686)	(3,526,686)	—
Administrative Expense	—	(74,520)	74,520
Net Changes	1,790,677	(6,039,702)	7,830,379
Balances at April 30, 2022	84,381,008	71,411,016	12,969,992

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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, 2022, the Village recognized pension revenue of \$526,875. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,319,457	(2,651,722)	(1,332,265)
Change in Assumptions	955,876	(272,517)	683,359
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	86,876	86,876
Total Deferred Amounts Related to Police Pension	<u>2,275,333</u>	<u>(2,837,363)</u>	<u>(562,030)</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (1,052,003)
2024	(656,079)
2025	(790,155)
2026	2,255,775
2027	(183,066)
Thereafter	<u>(136,502)</u>
Total	<u><u>(562,030)</u></u>



VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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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 Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

*Plan Membership.* At April 30, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	28
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>59</u>
Total	<u>90</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 ½ 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.

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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### NOTE 4 - OTHER INFORMATION - Continued

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

##### Firefighters' Pension Plan - Continued

##### Plan Descriptions - Continued

*Benefits Provided - Continued.* 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 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. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ 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., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st 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 ½ of the change in the Consumer Price Index for the proceeding calendar year.

*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 Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2022, the Village's contribution was 33.06% of covered payroll.

*Concentrations.* At year end, the Pension Plan has no 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 retirement benefits.

**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

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

**Firefighters' Pension Plan - Continued**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.50% - 12.50%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on PubS-2010, projected 5 years past the valuation date with MP-2019.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%, the same as the prior year. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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 net pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 19,931,185	\$ 10,524,438	\$ 2,847,436

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2021	\$ 61,282,658	54,065,953	7,216,705
Changes for the Year:			
Service Cost	1,583,185	—	1,583,185
Interest on the Total Pension Liability	4,005,987	—	4,005,987
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(3,098,016)	—	(3,098,016)
Changes of Assumptions	264,899	—	264,899
Contributions - Employer	—	2,110,682	(2,110,682)
Contributions - Employees	—	609,262	(609,262)
Contributions - Buy Backs	—	—	—
Net Investment Income	—	(3,228,120)	3,228,120
Benefit Payments, Including Refunds of Employee Contributions	(2,002,354)	(2,002,354)	—
Administrative Expenses	—	(43,502)	43,502
Net Changes	753,701	(2,554,032)	3,307,733
Balances at April 30, 2022	62,036,359	51,511,921	10,524,438

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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, 2022, the Village recognized pension expense of \$900,052. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 407,160	(4,087,085)	(3,679,925)
Change in Assumptions	823,204	(63,251)	759,953
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	1,321,635	1,321,635
Total Deferred Amounts Related to Firefighters' Pension	<u>1,230,364</u>	<u>(2,828,701)</u>	<u>(1,598,337)</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (269,481)
2021	(277,686)
2022	(708,434)
2023	905,199
2024	(433,231)
Thereafter	<u>(814,704)</u>
Total	<u>(1,598,337)</u>

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

*Benefits Provided.* RBP provides healthcare benefits for retirees and their dependents. The retiree and their dependent pay 100% of the active premium. Upon reaching age 65, Medicare becomes the primary insurer.

*Plan Membership.* As of April 30, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	36
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>173</u>
Total	<u>209</u>

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2022, and was determined by an actuarial valuation as of April 30, 2021.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the April 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	Varies by Service
Discount Rate	3.98%
Healthcare Cost Trend Rates	Initial rate of 7.50%, decreasing per year to an ultimate rate of 4.0% for 2075 and later years
Retirees' Share of Benefit-Related Costs	100% of the projected health insurance premiums for retirees

The discount rate was based on April 30, 2022 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.

Mortality rates were based on the PubG-2010 amounted weighed, below-median income with scale MP-2020.

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2021	\$ 7,023,577
Changes for the Year:	
Service Cost	195,661
Interest on the Total OPEB Liability	129,405
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(1,073,580)
Benefit Payments	(297,140)
Net Changes	<u>(1,045,654)</u>
Balance at April 30, 2022	<u><u>5,977,923</u></u>

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 3.98%, while last year's used 1.83%, 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 (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Total OPEB Liability	\$ 6,451,608	5,977,923	5,545,731

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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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

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

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 5,446,160	5,977,923	6,581,334

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

For the year ended April 30, 2022, the Village recognized OPEB expense of \$378,902. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 271,018	—	271,018
Change in Assumptions	876,815	(954,293)	(77,478)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	1,147,833	(954,293)	193,540



**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - 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
2023	\$ 53,836
2024	53,836
2025	53,836
2026	53,836
2027	53,838
Thereafter	<u>(75,642)</u>
Total	<u><u>193,540</u></u>

**SUBSEQUENT EVENT**

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$4,131,847 to be received in two installments. On August 24, 2021, the Village received their first installment of \$2,064,857. On September 16, 2022, the Village received their second installment of \$2,066,990.

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

Notes to the Required Supplementary Information

Budgetary information - budgets are adopted on a basis consistent with generally accepted accounting principles.

**VILLAGE OF GURNEE, ILLINOIS**

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
April 30, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
4/30/16	\$ 857,777	\$ 876,079	\$ 18,302	\$ 7,275,459	12.04%
4/30/17	926,009	926,009	—	7,485,933	12.37%
4/30/18	979,458	979,458	—	8,233,291	11.90%
4/30/19	952,141	952,141	—	8,345,478	11.41%
4/30/20	966,249	966,249	—	8,783,458	11.00%
4/30/21	972,712	972,712	—	8,232,780	11.82%
4/30/22	990,516	990,516	—	8,883,526	11.15%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

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

**VILLAGE OF GURNEE, ILLINOIS**

**Police Pension Fund  
Schedule of Employer Contributions  
April 30, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
4/30/16	\$ 1,590,485	\$ 1,590,485	\$ —	\$ 5,700,543	27.90%
4/30/17	1,945,216	1,945,216	—	5,519,742	35.24%
4/30/18	2,137,886	2,137,886	—	5,699,134	37.51%
4/30/19	2,167,602	2,207,368	39,766	6,174,268	35.75%
4/30/20	2,273,714	2,273,714	—	6,739,445	33.74%
4/30/21	2,398,379	2,398,379	—	6,947,391	34.52%
4/30/22	2,554,119	2,554,119	—	6,274,265	40.71%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.50% - 11.00%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Pubs-2010(A), projected 5 years past the valuation date with MP-2019.

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

**VILLAGE OF GURNEE, ILLINOIS**

**Firefighters' Pension Fund  
Schedule of Employer Contributions  
April 30, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
4/30/16	\$ 1,471,445	\$ 1,471,445	\$ —	\$ 5,277,184	27.88%
4/30/17	1,700,217	1,700,217	—	5,469,114	31.09%
4/30/18	1,738,081	1,738,081	—	5,646,860	30.78%
4/30/19	1,810,723	1,810,723	—	5,607,922	32.29%
4/30/20	1,770,649	1,869,571	98,922	6,261,153	29.86%
4/30/21	1,966,654	1,966,654	—	5,999,283	32.78%
4/30/22	2,110,682	2,110,682	—	6,384,914	33.06%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.50% - 12.50%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	PubS-2010 projected 5 years past valuation date with Scale MP-2019.

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

**VILLAGE OF GURNEE, ILLINOIS**

**Illinois Municipal Retirement Fund**

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

**April 30, 2022**

	<u>12/31/15</u>
Total Pension Liability	
Service Cost	\$ 832,752
Interest	2,632,234
Differences Between Expected and Actual Experience	(903,147)
Change of Assumptions	50,339
Benefit Payments, Including Refunds of Member Contributions	<u>(1,002,208)</u>
Net Change in Total Pension Liability	1,609,970
Total Pension Liability - Beginning	<u>35,228,043</u>
 Total Pension Liability - Ending	 <u><u>36,838,013</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 876,079
Contributions - Members	327,927
Net Investment Income	155,155
Benefit Payments, Including Refunds of Member Contributions	<u>(1,002,208)</u>
Other (Net Transfer)	<u>(649,758)</u>
Net Change in Plan Fiduciary Net Position	(292,805)
Plan Net Position - Beginning	<u>30,930,089</u>
 Plan Net Position - Ending	 <u><u>30,637,284</u></u>
 Employer's Net Pension Liability/(Asset)	 <u><u>\$ 6,200,729</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	  83.17%
 Covered Payroll	 \$ 7,275,459
 Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	  85.23%

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

12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21
787,612	812,408	805,299	839,031	861,325	766,354
2,739,306	2,933,360	3,068,929	3,220,813	3,390,375	3,521,490
304,710	877,101	(7,480)	22,307	(402)	898,053
(105,890)	(1,227,067)	1,411,884	—	(439,381)	—
(1,220,173)	(1,276,639)	(1,892,684)	(1,686,386)	(1,822,659)	(2,089,240)
2,505,565	2,119,163	3,385,948	2,395,765	1,989,258	3,096,657
36,838,013	39,343,578	41,462,741	44,848,689	47,244,454	49,233,712
39,343,578	41,462,741	44,848,689	47,244,454	49,233,712	52,330,369
926,009	948,117	984,774	886,271	993,472	990,567
336,868	357,330	375,549	378,749	414,236	385,268
2,098,293	5,543,253	(1,811,225)	6,721,888	5,962,516	8,097,135
(1,220,173)	(1,276,639)	(1,892,684)	(1,686,386)	(1,822,659)	(2,089,240)
340,924	(365,743)	593,226	67,114	272,030	(22,551)
2,481,921	5,206,318	(1,750,360)	6,367,636	5,819,595	7,361,179
30,637,284	33,119,205	38,325,523	36,575,163	42,942,799	48,762,394
33,119,205	38,325,523	36,575,163	42,942,799	48,762,394	56,123,573
6,224,373	3,137,218	8,273,526	4,301,655	471,318	(3,793,204)
84.18%	92.43 %	81.55%	90.89%	99.04%	107.25%
7,485,933	7,940,679	8,345,542	8,416,635	8,328,889	8,561,513
83.15%	39.51 %	99.14%	51.11%	5.66%	(44.31%)

VILLAGE OF GURNEE, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2022

	<u>4/30/16</u>
Total Pension Liability	
Service Cost	\$ 1,220,720
Interest	4,063,650
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	1,549,091
Change of Assumptions	(1,208,583)
Contributions - Buy Back	—
Benefit Payments, Including Refunds of Member Contributions	(1,972,701)
Administrative Expenses	—
Net Change in Total Pension Liability	<u>3,652,177</u>
Total Pension Liability - Beginning	<u>59,038,499</u>
Total Pension Liability - Ending	<u><u>62,690,676</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,590,485
Contributions - Members	611,781
Contributions - Buy Backs	—
Net Investment Income	279,678
Benefit Payments, Including Refunds of Member Contributions	(1,972,701)
Administrative Expenses	<u>(77,550)</u>
Net Change in Plan Fiduciary Net Position	431,693
Plan Net Position - Beginning	<u>39,412,860</u>
Plan Net Position - Ending	<u><u>39,844,553</u></u>
Employer's Net Pension Liability	<u><u>\$ 22,846,123</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.56%
Covered Payroll	\$ 5,700,543
Employer's Net Pension Liability as a Percentage of Covered Payroll	400.77%

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



4/30/17	4/30/18	4/30/19	4/30/20	4/30/21	4/30/22
1,312,264	1,404,122	1,502,260	1,407,925	1,909,946	1,639,918
4,313,018	4,450,693	4,790,937	5,060,273	5,324,207	5,498,341
—	—	—	—	—	—
(738,623)	(77,726)	(1,341,416)	358,480	649,194	(2,206,240)
(686,517)	—	1,412,992	1,262,296	33,876	385,344
—	—	201,435	33,338	—	—
(2,152,303)	(2,314,376)	(2,523,091)	(2,725,349)	(2,919,165)	(3,526,686)
—	—	—	—	(49,035)	—
2,047,839	3,462,713	4,043,117	5,396,963	4,949,023	1,790,677
62,690,676	64,738,515	68,201,228	72,244,345	77,641,308	82,590,331
64,738,515	68,201,228	72,244,345	77,641,308	82,590,331	84,381,008
1,945,216	2,137,886	2,207,368	2,273,714	2,398,379	2,554,119
774,770	1,519,677	611,870	667,880	762,876	875,201
—	—	201,435	33,338	—	—
2,709,646	5,056,281	5,556,118	2,367,277	19,305,855	(5,867,816)
(2,152,303)	(2,314,376)	(2,523,091)	(2,725,349)	(2,919,165)	(3,526,686)
(46,677)	(52,281)	(65,970)	(67,580)	(56,629)	(74,520)
3,230,652	6,347,187	5,987,730	2,549,280	19,491,316	(6,039,702)
39,844,553	43,075,205	49,422,392	55,410,122	57,959,402	77,450,718
43,075,205	49,422,392	55,410,122	57,959,402	77,450,718	71,411,016
21,663,310	18,778,836	16,834,223	19,681,906	5,139,613	12,969,992
66.54%	72.47%	76.70%	74.65%	93.78%	84.63%
5,519,742	5,699,134	6,174,268	6,739,445	6,947,391	6,274,265
392.47%	329.50%	272.65%	292.04%	73.98%	206.72%

VILLAGE OF GURNEE, ILLINOIS

**Firefighters' Pension Fund**  
**Schedule of Changes in the Employer's Net Pension Liability**  
**April 30, 2022**

	<u>4/30/16</u>
Total Pension Liability	
Service Cost	\$ 1,228,976
Interest	2,841,807
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	354,905
Change of Assumptions	999,531
Contributions - Buy Backs	—
Benefit Payments, Including Refunds of Member Contributions	(924,848)
Administrative Expenses	—
Net Change in Total Pension Liability	<u>4,500,371</u>
Total Pension Liability - Beginning	<u>41,059,663</u>
 Total Pension Liability - Ending	 <u><u>45,560,034</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	1,471,445
Contributions - Members	504,573
Contributions - Buy Backs	—
Net Investment Income	109,820
Benefit Payments, Including Refunds of Member Contributions	(924,848)
Administrative Expenses	(32,999)
Net Change in Plan Fiduciary Net Position	<u>1,127,991</u>
Plan Net Position - Beginning	<u>27,991,653</u>
 Plan Net Position - Ending	 <u><u>29,119,644</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 16,440,390</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	  63.91%
 Covered Payroll	 \$ 5,277,184
 Employer's Net Pension Liability as a Percentage of Covered Payroll	  311.54%

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

4/30/17	4/30/18	4/30/19	4/30/20	4/30/21	4/30/22
1,347,577	1,285,648	1,285,648	1,439,819	1,653,610	1,583,185
3,152,333	3,326,747	3,607,721	3,776,224	3,950,630	4,005,987
—	—	—	262,832	—	—
(609,798)	(453,350)	(1,602,537)	277,430	151,323	(3,098,016)
(165,000)	—	501,263	—	17,148	264,899
—	—	—	35,531	—	—
(1,053,415)	(1,413,560)	(1,447,986)	(1,630,160)	(1,933,779)	(2,002,354)
—	—	—	—	(39,275)	—
2,671,697	2,745,485	2,344,109	4,161,676	3,799,657	753,701
45,560,034	48,231,731	50,977,216	53,321,325	57,483,001	61,282,658
48,231,731	50,977,216	53,321,325	57,483,001	61,282,658	62,036,359
1,700,217	1,738,081	1,810,723	1,869,571	1,966,654	2,110,682
519,070	500,248	530,229	591,991	621,923	609,262
—	—	—	35,531	—	—
3,260,042	2,591,258	2,572,189	725,605	11,566,930	(3,228,120)
(1,053,415)	(1,413,560)	(1,447,986)	(1,630,160)	(1,933,779)	(2,002,354)
(29,828)	(25,968)	(41,103)	(38,699)	(39,455)	(43,502)
4,396,086	3,390,059	3,424,052	1,553,839	12,182,273	(2,554,032)
29,119,644	33,515,730	36,905,789	40,329,841	41,883,680	54,065,953
33,515,730	36,905,789	40,329,841	41,883,680	54,065,953	51,511,921
14,716,001	14,071,427	12,991,484	15,599,321	7,216,705	10,524,438
69.49%	72.40%	75.64%	72.86%	88.22%	83.04%
5,469,114	5,646,860	5,607,922	6,261,153	5,999,283	6,384,914
269.07%	249.19%	231.66%	249.14%	120.29%	164.83%

**VILLAGE OF GURNEE, ILLINOIS**

**Police Pension Fund**

**Schedule of Investment Returns**

**April 30, 2022**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
4/30/16	1.00%
4/30/17	6.60%
4/30/18	11.97%
4/30/19	11.64%
4/30/20	4.50%
4/30/21	2.55%
4/30/22	(7.18%)

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

**VILLAGE OF GURNEE, ILLINOIS**

**Firefighters' Pension Fund  
Schedule of Investment Returns  
April 30, 2022**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
4/30/16	1.00%
4/30/17	6.60%
4/30/18	7.67%
4/30/19	6.92%
4/30/20	1.79%
4/30/21	27.60%
4/30/22	1.40%

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

**VILLAGE OF GURNEE, ILLINOIS**

**Retiree Benefit Plan**

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

**April 30, 2022**

	4/30/2019	4/30/2020	4/30/2021	4/30/2022
Total OPEB Liability				
Service Cost	\$ 101,787	115,842	130,314	195,661
Interest	191,048	178,243	165,258	129,405
Changes in Benefit Terms	—	—	—	—
Differences Between Expected and Actual Experience	—	—	348,452	—
Change of Assumptions or Other Inputs	201,386	173,559	834,718	(1,073,580)
Benefit Payments	(209,629)	(227,447)	(245,074)	(297,140)
Net Change in Total OPEB Liability	284,592	240,197	1,233,668	(1,045,654)
Total OPEB Liability - Beginning	5,265,120	5,549,712	5,789,909	7,023,577
Total OPEB Liability - Ending	5,549,712	5,789,909	7,023,577	5,977,923
Covered-Employee Payroll	\$ 15,259,637	16,051,612	15,909,920	16,684,733
Total OPEB Liability as a Percentage of Covered-Employee Payroll	36.37%	36.07%	44.15%	35.83%

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 2022.

VILLAGE OF GURNEE, ILLINOIS

General Fund

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

For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 8,385,250	8,385,250	10,190,811
Intergovernmental	24,996,930	27,061,786	34,407,942
Charges for Services	3,853,884	3,703,884	4,966,695
Licenses and Permits	1,109,000	934,000	1,003,577
Fines and Forfeitures	1,520,000	1,520,000	1,376,300
Interest Income/(Loss)	280,000	280,000	(384,080)
Miscellaneous	1,080,378	1,080,378	123,312
Total Revenues	41,225,442	42,965,298	51,684,557
Expenditures			
General Government	6,671,716	7,127,786	7,155,696
Public Safety	30,280,522	30,782,752	30,403,267
Highways and Streets	3,661,194	3,791,904	3,556,419
Capital Outlay	611,960	611,960	209,318
Total Expenditures	41,225,392	42,314,402	41,324,700
Excess (Deficiency) of Revenues Over (Under) Expenditures	50	650,896	10,359,857
Other Financing (Uses)			
Transfers Out	—	(600,000)	(4,100,000)
Net Change in Fund Balance	50	50,896	6,259,857
Fund Balance - Beginning			25,230,619
Fund Balance - Ending			31,490,476

VILLAGE OF GURNEE, 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, 2022

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 1,943,946	1,943,946	1,979,384
Interest Income	500	500	2,058
Total Revenues	<u>1,944,446</u>	<u>1,944,446</u>	<u>1,981,442</u>
Expenditures			
Highways and Streets			
Repairs and Maintenance	<u>1,618,185</u>	<u>1,618,185</u>	<u>1,347,150</u>
Net Change in Fund Balance	<u>326,261</u>	<u>326,261</u>	634,292
Fund Balance - Beginning			<u>1,407,133</u>
Fund Balance - Ending			<u><u>2,041,425</u></u>



## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Enterprise Funds
- Combining Statements - Pension Trust Funds
- Budgetary Comparison Schedules - Pension Trust Funds
- Budgetary Comparison Schedule - Custodial Fund
- Consolidated Year-End Financial Report

## **INDIVIDUAL FUND DESCRIPTIONS**

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### **GENERAL FUND**

The General Fund is used to account 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 the maintenance and construction of streets and roads as approved by the Illinois Department of Transportation.

#### **911 Fund**

The 911 Fund is used to account for the installation and operation of the emergency telephone system (911). Revenues are provided by a surcharge on telephone bills.

#### **Impact Fund**

The Impact Fund is used to account for fees collected from developers for necessary improvements to be made by the Village when deemed necessary by the Village. The Impact Fund is also used to collect county impact fees for county road improvements within the Village.

#### **Asset Forfeiture Fund**

The Asset Forfeiture Fund is used for seized drug money. The Village receives a percentage of money back any time there is a drug arrest and money is recovered. This money is to be used for drug awareness.

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## **INDIVIDUAL FUND DESCRIPTIONS**

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### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by proprietary funds.

#### **Capital Improvement Fund**

The Capital Improvement Fund is used to account for the acquisition and improvement of Village property including infrastructure and general capital assets.

#### **Fleet Services Fund**

The Fleet Services Fund is used to account for the acquisition and maintenance of the Village's fleet of vehicles.

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### **ENTERPRISE FUNDS**

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. The Village's enterprise funds are both major funds.

#### **Golf Course Fund**

The Golf Course Fund is used to account for the construction and operation of a municipal golf course.

#### **Water and Sewer Fund**

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

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## **INDIVIDUAL FUND DESCRIPTIONS**

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### **TRUST AND CUSTODIAL FUNDS**

#### **PENSION TRUST FUNDS**

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

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

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

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

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#### **CUSTODIAL FUND**

##### **NE Lake County Consolidated ETSB Fund**

The NE Lake County Consolidated Emergency Telephone System Board Fund is used to account for funds distributed under the State of Illinois 911 Administrator for the payment of approved expenditures related to the joint dispatch operation between the Village of Gurnee and City of Zion.

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**VILLAGE OF GURNEE, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual**

**For the Fiscal Year Ended April 30, 2022**

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Road and Bridge Taxes	\$ 500,000	500,000	431,272
Amusement Taxes	2,931,250	2,931,250	3,527,375
Hotel Taxes	1,475,000	1,475,000	2,134,872
Resort Tax	300,000	300,000	459,232
Food and Beverage Taxes	1,807,500	1,807,500	2,365,385
Telecommunications Taxes	661,500	661,500	594,987
Cable TV Franchise Taxes	525,000	525,000	474,162
Alarm Franchise Taxes	115,000	115,000	117,241
Foreign Fire Insurance Taxes	70,000	70,000	86,285
	<u>8,385,250</u>	<u>8,385,250</u>	<u>10,190,811</u>
<b>Intergovernmental</b>			
Sales Taxes	16,543,750	16,543,750	20,255,558
Local Use Taxes	1,390,000	1,390,000	1,201,734
State Income Tax	3,400,000	3,400,000	4,916,670
Replacement Tax	120,000	120,000	332,520
Cannabis Tax	28,000	28,000	50,205
Police Vest Grant	9,900	9,900	9,775
Tobacco Grant	2,300	2,300	—
Seat Belt Enforcement	19,600	19,600	19,985
K-9 Program Grant	8,100	8,100	13,978
Safer Grant	240,000	240,000	234,287
ARPA Grant	—	2,064,856	4,133,980
FEMA Public Assistance Grant	—	—	28,040
Warren Fire District	3,233,330	3,233,330	3,211,210
NSSD Information	1,950	1,950	—
	<u>24,996,930</u>	<u>27,061,786</u>	<u>34,407,942</u>
<b>Charges for Services</b>			
School Resource Officer	260,000	110,000	154,728
Off Duty Police Service	287,730	287,730	474,882
Fire Dept Charges	2,500	2,500	2,903
Non Resident Rescue Fees	550,000	550,000	531,884
Resident Rescue Fees	675,000	675,000	1,032,983
Recycling Revenues	2,500	2,500	2,683
Dispatch Services	976,744	976,744	980,537
Elevator Inspections	14,500	14,500	8,260
Engineering Fees	2,000	2,000	250
Maps	50	50	23

VILLAGE OF GURNEE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Charges for Services - Continued			
Ordinances	\$ 500	500	86
Miscellaneous Other Charges	60,050	60,050	206,735
Public Works Charges	—	—	100
Newport Fire Phone	45,360	45,360	46,270
911 Surcharge	96,350	96,350	42,577
Police Charges	12,500	12,500	11,860
GEMT Ambulance Program	70,000	70,000	535,612
Fire Cost Recovery	60,000	60,000	70,904
Tower/Antennae Lease	9,000	9,000	127,150
Parkway Tree Program	2,000	2,000	—
Reimbursable Charges	10,000	10,000	21,268
Water and Sewer Charges	715,000	715,000	715,000
Pace Ad Revenue Share	2,100	2,100	—
	<u>3,853,884</u>	<u>3,703,884</u>	<u>4,966,695</u>
Licenses and Permits			
Liquor Licenses	100,000	50,000	75,075
Business Licenses	250,000	125,000	166,346
General Building Permits	725,000	725,000	712,492
Burning Permits	—	—	300
Traffic	34,000	34,000	49,364
	<u>1,109,000</u>	<u>934,000</u>	<u>1,003,577</u>
Fines and Forfeitures			
Court Fines	300,000	300,000	264,392
DUI Fines	20,000	20,000	6,484
Prison Review Agency	19,000	19,000	4,780
Parking Fines	35,000	35,000	23,573
Collection Revenue	45,000	45,000	24,193
Alarm Fines	6,000	6,000	3,950
Tax Penalites - Local Imposed	5,000	5,000	13,623
Impoundment Fine	150,000	150,000	151,750
Red Light Enforcement	900,000	900,000	859,580
Code Enforcement Violation	40,000	40,000	23,975
	<u>1,520,000</u>	<u>1,520,000</u>	<u>1,376,300</u>

VILLAGE OF GURNEE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Interest Income/(Loss)	\$ 280,000	280,000	(384,080)
Miscellaneous			
Workers' Compensation Reimbursements	100,000	100,000	40,832
Fire Dept Donations	5,000	5,000	5,250
Damage to Village Property	20,000	20,000	44,524
Use of Reserves	921,563	921,563	(11,700)
Police - Miscellaneous Contributions	5,000	5,000	30,150
Police Explorers	28,815	28,815	—
Comm and Econ Energy Efficiency	—	—	14,256
	1,080,378	1,080,378	123,312
Total Revenues	41,225,442	42,965,298	51,684,557

VILLAGE OF GURNEE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
<b>General Government</b>			
<b>Administration</b>			
Salaries and Wages	\$ 1,126,604	1,151,024	1,202,599
Employee Benefits	379,714	379,714	422,890
Personnel Expenditures	1,225	1,225	927
Professional Services	188,500	188,500	165,394
Contractual Services	326,460	476,460	447,999
Insurance	19,780	19,780	19,780
Commodities	11,500	11,500	11,467
Utilities	5,400	5,400	5,733
Repairs and Maintenance	38,505	38,505	37,707
Miscellaneous	1,451,667	1,701,667	1,820,758
	<u>3,549,355</u>	<u>3,973,775</u>	<u>4,135,254</u>
<b>Information Systems</b>			
Salaries and Wages	579,248	591,978	556,984
Employee Benefits	181,296	181,296	211,704
Personnel Expenditures	5,700	5,700	2,452
Professional Services	35,000	35,000	10,138
Contractual Services	87,700	87,700	118,731
Insurance	1,280	1,280	1,280
Commodities	1,750	1,750	1,285
Utilities	4,360	4,360	4,269
Repairs and Maintenance	19,815	19,815	15,962
	<u>916,149</u>	<u>928,879</u>	<u>922,805</u>
<b>Cable Television</b>			
Professional Services	500	500	150
Contractual Services	55,216	55,216	63,616
	<u>55,716</u>	<u>55,716</u>	<u>63,766</u>
<b>Building Maintenance</b>			
Contractual Services	48,970	48,970	27,576
Insurance	6,850	6,850	6,850
Commodities	9,380	9,380	5,629
Repairs and Maintenance	30,100	30,100	31,708
	<u>95,300</u>	<u>95,300</u>	<u>71,763</u>



VILLAGE OF GURNEE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
General Government - Continued			
Planning			
Salaries and Wages	\$ 815,436	834,356	812,619
Employee Benefits	345,645	345,645	364,703
Personnel Expenditures	2,650	2,650	2,650
Professional Services	54,500	54,500	42,135
Contractual Services	33,405	33,405	31,628
Insurance	8,050	8,050	8,050
Commodities	6,350	6,350	3,180
Utilities	5,900	5,900	5,292
Repairs and Maintenance	28,720	28,720	31,360
	<u>1,300,656</u>	<u>1,319,576</u>	<u>1,301,617</u>
Engineering			
Salaries and Wages	459,360	459,360	405,377
Employee Benefits	178,385	178,385	163,458
Personnel Expenditures	3,775	3,775	3,941
Professional Services	1,000	1,000	1,225
Contractual Services	75,395	75,395	52,671
Insurance	8,050	8,050	8,050
Commodities	4,500	4,500	2,520
Utilities	6,810	6,810	6,570
Repairs and Maintenance	17,265	17,265	16,679
	<u>754,540</u>	<u>754,540</u>	<u>660,491</u>
Total General Government	<u>6,671,716</u>	<u>7,127,786</u>	<u>7,155,696</u>
Public Safety			
Police			
Salaries and Wages	9,153,856	9,339,646	8,638,783
Employee Benefits	4,823,308	4,823,308	4,874,436
Personnel Expenditures	68,368	68,368	83,952
Professional Services	123,000	123,000	109,984
Contractual Services	753,835	753,835	1,123,157

VILLAGE OF GURNEE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police - Continued			
Insurance	\$ 173,410	173,410	183,607
Commodities	74,700	81,600	55,424
Utilities	63,160	63,160	52,626
Repairs and Maintenance	375,387	375,387	256,261
	<u>15,609,024</u>	<u>15,801,714</u>	<u>15,378,230</u>
Fire			
Salaries and Wages	7,117,676	7,272,786	7,460,491
Employee Benefits	3,978,381	3,978,381	4,101,720
Personnel Expenditures	17,025	17,025	26,202
Professional Services	77,000	77,000	61,743
Contractual Services	141,170	141,170	158,532
Insurance	37,030	37,030	81,811
Commodities	143,550	143,550	88,411
Utilities	35,100	35,100	13,012
Repairs and Maintenance	167,360	167,360	142,781
	<u>11,714,292</u>	<u>11,869,402</u>	<u>12,134,703</u>
Communications			
Salaries and Wages	2,163,562	2,317,992	2,087,633
Employee Benefits	732,064	732,064	763,264
Personnel Expenditures	9,340	9,340	4,749
Professional Services	4,990	4,990	1,380
Contractual Services	17,585	17,585	9,854
Insurance	10,510	10,510	10,510
Commodities	4,770	4,770	2,153
Utilities	2,460	2,460	1,897
Repairs and Maintenance	11,925	11,925	8,894
	<u>2,957,206</u>	<u>3,111,636</u>	<u>2,890,334</u>
Total Public Safety	<u>30,280,522</u>	<u>30,782,752</u>	<u>30,403,267</u>

VILLAGE OF GURNEE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Highways and Streets			
Street Maintenance			
Salaries and Wages	\$ 1,463,835	1,594,545	1,410,781
Employee Benefits	846,793	846,793	867,058
Personnel Expenditures	8,300	8,300	7,989
Professional Services	1,500	1,500	—
Contractual Services	354,446	354,446	339,585
Insurance	67,090	67,090	60,326
Commodities	364,900	364,900	304,124
Utilities	15,800	15,800	14,629
Repairs and Maintenance	182,250	182,250	179,911
	<u>3,304,914</u>	<u>3,435,624</u>	<u>3,184,403</u>
Vehicle Maintenance			
Contractual Services	356,280	356,280	372,016
	<u>3,661,194</u>	<u>3,791,904</u>	<u>3,556,419</u>
Capital Outlay	611,960	611,960	209,318
Total Expenditures	<u>41,225,392</u>	<u>42,314,402</u>	<u>41,324,700</u>

VILLAGE OF GURNEE, 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, 2022

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Home Rule Sales	\$ 4,340,000	4,340,000	5,378,494
Intergovernmental	1,772,500	1,772,500	1,000,000
Interest Income	5,000	5,000	68,363
Miscellaneous	20,000	20,000	33,157
Total Revenues	<u>6,137,500</u>	<u>6,137,500</u>	<u>6,480,014</u>
Expenditures			
Capital Outlay	7,404,750	7,428,250	4,928,986
Debt Services			
Principal Retirement	—	—	161,178
Interest and Fiscal Charges	—	—	128,511
Total Expense	<u>7,404,750</u>	<u>7,428,250</u>	<u>5,218,675</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,267,250)</u>	<u>(1,290,750)</u>	<u>1,261,339</u>
Other Financing Sources			
Debt Issuance	2,300,000	2,300,000	2,660,636
Transfers In	150,000	150,000	4,250,000
	<u>2,450,000</u>	<u>2,450,000</u>	<u>6,910,636</u>
Net Change in Fund Balance	<u>1,182,750</u>	<u>1,159,250</u>	8,171,975
Fund Balance - Beginning			<u>4,342,149</u>
Fund Balance - Ending			<u><u>12,514,124</u></u>

VILLAGE OF GURNEE, ILLINOIS

**Nonmajor Governmental Funds  
Combining Balance Sheet  
April 30, 2022**

	Special Revenue			Capital Projects	Totals
	911	Impact	Asset Forfeiture	Fleet Services	
<b>ASSETS</b>					
Cash and Investments	\$ —	417,828	208,308	275,801	901,937
Receivables - Net of Allowances					
Accounts	324,323	—	33,032	26,550	383,905
Inventories	—	—	—	168,708	168,708
<b>Total Assets</b>	<b>324,323</b>	<b>417,828</b>	<b>241,340</b>	<b>471,059</b>	<b>1,454,550</b>
<b>LIABILITIES</b>					
Accounts Payable	(1,984)	—	797	29,497	28,310
Accrued Payroll	—	—	—	10,793	10,793
Due to Other Funds	145,081	—	—	—	145,081
<b>Total Liabilities</b>	<b>143,097</b>	<b>—</b>	<b>797</b>	<b>40,290</b>	<b>184,184</b>
<b>FUND BALANCES</b>					
Fund Balances					
Nonspendable	—	—	—	168,708	168,708
Restricted	181,226	—	240,543	—	421,769
Committed	—	417,828	—	262,061	679,889
<b>Total Fund Balances</b>	<b>181,226</b>	<b>417,828</b>	<b>240,543</b>	<b>430,769</b>	<b>1,270,366</b>
<b>Total Liabilities and Fund Balances</b>	<b>324,323</b>	<b>417,828</b>	<b>241,340</b>	<b>471,059</b>	<b>1,454,550</b>

VILLAGE OF GURNEE, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended April 30, 2022

	Special Revenue			Capital Projects	Totals
	911	Impact	Asset Forfeiture	Fleet Services	
<b>Revenues</b>					
Charges for Services	\$ 672,922	—	—	1,589,383	2,262,305
Fines and Forfeitures	—	—	100,200	—	100,200
Interest Income	—	11	181	—	192
Total Revenues	672,922	11	100,381	1,589,383	2,362,697
<b>Expenditures</b>					
Highways and Streets	—	—	—	1,315,211	1,315,211
Capital Outlay	560,179	—	17,668	377,384	955,231
Total Expenditures	560,179	—	17,668	1,692,595	2,270,442
Excess (Deficiency) of Revenues Over (Under) Expenditures	112,743	11	82,713	(103,212)	92,255
Other Financing (Uses)					
Transfers Out	—	(150,000)	—	(158,407)	(308,407)
Net Change in Fund Balances	112,743	(149,989)	82,713	(261,619)	(216,152)
Fund Balances - Beginning	68,483	567,817	157,830	692,388	1,486,518
Fund Balances - Ending	181,226	417,828	240,543	430,769	1,270,366

VILLAGE OF GURNEE, ILLINOIS

911 - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2022

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	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 1,788,107	1,788,107	672,922
Expenditures			
Capital Outlay	1,788,107	1,788,107	560,179
Net Change in Fund Balance	<u>          —</u>	<u>          —</u>	112,743
Fund Balance - Beginning			<u>68,483</u>
Fund Balance - Ending			<u>181,226</u>

VILLAGE OF GURNEE, ILLINOIS

Impact - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 50	50	11
Expenditures			
General Government	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	50	50	11
Other Financing (Uses)			
Transfers Out	(150,000)	(150,000)	(150,000)
Net Change in Fund Balance	<u>(149,950)</u>	<u>(149,950)</u>	(149,989)
Fund Balance - Beginning			<u>567,817</u>
Fund Balance - Ending			<u><u>417,828</u></u>



VILLAGE OF GURNEE, ILLINOIS

Asset Forfeiture - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2022

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	Budget		Actual
	Original	Final	
Revenues			
Fines and Forfeitures			
DARE Forfeited Funds	\$ 5,000	5,000	—
Seizures	250,000	250,000	100,200
Interest Income	50	50	181
Total Revenues	<u>255,050</u>	<u>255,050</u>	100,381
Expenditures			
Capital Outlay	<u>249,500</u>	<u>249,500</u>	17,668
Net Change in Fund Balance	<u>5,550</u>	<u>5,550</u>	82,713
Fund Balance - Beginning			<u>157,830</u>
Fund Balance - Ending			<u>240,543</u>

VILLAGE OF GURNEE, ILLINOIS

Fleet Services - Capital Projects Fund

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

For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 1,580,660	1,580,660	1,589,383
Expenditures			
Highways and Streets	1,253,526	1,262,476	1,315,211
Capital Outlay	535,500	535,500	377,384
Total Expenditures	1,789,026	1,797,976	1,692,595
Excess (Deficiency) of Revenues Over (Under) Expenditures	(208,366)	(217,316)	(103,212)
Other Financing (Uses)			
Transfers Out	—	—	(158,407)
Net Change in Fund Balance	(208,366)	(217,316)	(261,619)
Fund Balance - Beginning			692,388
Fund Balance - Ending			430,769

VILLAGE OF GURNEE, ILLINOIS

Golf Course - Enterprise Fund

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

For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ —	—	—
Operating Expenses			
Depreciation	—	—	21,142
Operating (Loss)	—	—	(21,142)
Nonoperating Revenues			
Interest Income	45,100	45,100	57,409
Change in Net Position	<u>45,100</u>	<u>45,100</u>	36,267
Net Position - Beginning			<u>4,938,985</u>
Net Position - Ending			<u><u>4,975,252</u></u>

VILLAGE OF GURNEE, ILLINOIS

Water and Sewer - Enterprise Fund

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

For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Metered Water	\$ 9,390,535	9,390,535	9,720,384
Operating Expenses			
Operations			
Salaries and Benefits	1,856,096	1,856,096	1,791,758
Personnel Expenditures	12,000	12,000	8,100
Professional Services	18,300	18,300	8,945
Contractual	1,158,577	1,457,009	1,465,649
Insurance	60,740	60,740	69,407
Commodities	2,170,355	2,170,355	2,434,143
Utilities	134,800	134,800	136,087
Repairs and Maintenance	403,266	403,266	255,562
Capital Outlay	596,480	596,480	(966,141)
Capital			
Professional Services	3,358,080	3,381,580	1,932,200
Depreciation and Amortization	—	—	1,637,326
Total Operating Expenses	9,768,694	10,090,626	8,773,036
Operating Income (Loss)	(378,159)	(700,091)	947,348
Nonoperating Revenues (Expenses)			
Interest Income	10,000	10,000	6,804
Other Income	—	—	7,027
Principal Retirement	(465,000)	(465,000)	—
Interest Expense	(95,000)	(95,000)	(129,085)
	(550,000)	(550,000)	(115,254)
Income (Loss) Before Transfers	(928,159)	(1,250,091)	832,094
Transfers In	—	—	158,407
Change in Net Position	(928,159)	(1,250,091)	990,501
Net Position - Beginning			60,019,657
Net Position - Ending			61,010,158

VILLAGE OF GURNEE, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position

April 30, 2022

	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,167,556	9,965	8,177,521
Investments			
U.S. Treasury Obligations	2,742,626	—	2,742,626
U.S. Agency Obligations	10,057,263	—	10,057,263
Corporate Bonds	6,540,154	—	6,540,154
Equity Mutual Funds	43,885,616	1,943,031	45,828,647
Illinois Firefighters' Pension Consolidated Investment Fund	—	49,558,676	49,558,676
Accrued Interest Receivable	42,184	—	42,184
Prepays	4,781	1,674	6,455
Total Assets	71,440,180	51,513,346	122,953,526
<b>LIABILITIES</b>			
Accounts Payable	29,164	1,425	30,589
<b>NET POSITION</b>			
Net Position Restricted for Pensions	71,411,016	51,511,921	122,922,937

VILLAGE OF GURNEE, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended April 30, 2022

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 2,554,119	2,110,682	4,664,801
Contributions - Plan Members	875,201	609,262	1,484,463
Total Contributions	3,429,320	2,719,944	6,149,264
<b>Investment Income</b>			
Interest Earned	539,925	448,157	988,082
Net Change in Fair Value	(6,101,488)	(3,628,595)	(9,730,083)
	(5,561,563)	(3,180,438)	(8,742,001)
Less Investment Expenses	(306,253)	(47,682)	(353,935)
Net Investment Income	(5,867,816)	(3,228,120)	(9,095,936)
Total Additions	(2,438,496)	(508,176)	(2,946,672)
<b>Deductions</b>			
Administration	74,520	43,502	118,022
Benefits and Refunds	3,526,686	2,002,354	5,529,040
Total Deductions	3,601,206	2,045,856	5,647,062
Change in Fiduciary Net Position	(6,039,702)	(2,554,032)	(8,593,734)
<b>Net Position Restricted for Pensions</b>			
Beginning	77,450,718	54,065,953	131,516,671
Ending	71,411,016	51,511,921	122,922,937

**VILLAGE OF GURNEE, ILLINOIS**

**Police Pension - Pension Trust Fund**

**Schedule of Changes in Fiduciary Net Position - Budget and Actual**

**For the Fiscal Year Ended April 30, 2022**

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 2,554,119	2,554,119	2,554,119
Contributions - Plan Members	639,600	639,600	875,201
Total Contributions	<u>3,193,719</u>	<u>3,193,719</u>	<u>3,429,320</u>
<b>Investment Income</b>			
Interest Income	670,000	670,000	539,925
Net Change in Fair Value	3,500,000	3,500,000	(6,101,488)
	<u>4,170,000</u>	<u>4,170,000</u>	<u>(5,561,563)</u>
Less Investment Expenses	(200,000)	(200,000)	(306,253)
Net Investment Income	<u>3,970,000</u>	<u>3,970,000</u>	<u>(5,867,816)</u>
Total Additions	<u>7,163,719</u>	<u>7,163,719</u>	<u>(2,438,496)</u>
<b>Deductions</b>			
Administration	98,800	98,800	74,520
Benefits	3,311,862	3,311,862	3,526,686
Total Deductions	<u>3,410,662</u>	<u>3,410,662</u>	<u>3,601,206</u>
Change in Fiduciary Net Position	<u>3,753,057</u>	<u>3,753,057</u>	<u>(6,039,702)</u>
<b>Net Position Restricted for Pensions</b>			
Beginning			<u>77,450,718</u>
Ending			<u>71,411,016</u>

VILLAGE OF GURNEE, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in the Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 2,110,682	2,110,682	2,110,682
Contributions - Plan Members	559,000	559,000	609,262
Total Contributions	<u>2,669,682</u>	<u>2,669,682</u>	<u>2,719,944</u>
<b>Investment Income</b>			
Interest Earned	913,250	1,025,000	448,157
Net Change in Fair Value	2,100,000	2,100,000	(3,628,595)
	<u>3,013,250</u>	<u>3,125,000</u>	<u>(3,180,438)</u>
Less Investment Expenses	(85,000)	(85,000)	(47,682)
Net Investment Income	<u>2,928,250</u>	<u>3,040,000</u>	<u>(3,228,120)</u>
Total Additions	<u>5,597,932</u>	<u>5,709,682</u>	<u>(508,176)</u>
<b>Deductions</b>			
Administration	63,600	63,600	43,502
Benefits and Refunds	2,247,062	2,247,062	2,002,354
Total Deductions	<u>2,310,662</u>	<u>2,310,662</u>	<u>2,045,856</u>
Change in Fiduciary Net Position	<u>3,287,270</u>	<u>3,399,020</u>	<u>(2,554,032)</u>
<b>Net Position Restricted for Pensions</b>			
Beginning			<u>54,065,953</u>
Ending			<u>51,511,921</u>



VILLAGE OF GURNEE, ILLINOIS

NE Lake County Consolidated ETSB - Custodial Fund  
 Schedule of Changes in the Fiduciary Net Position - Budget and Actual  
 For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Additions			
Charges for Services			
911 Surcharge	\$ 875,000	875,000	906,402
Interest Earned	500	500	2,227
Total Additions	875,500	875,500	908,629
Deductions			
Professional Services	1,993,107	1,993,107	672,969
Change in Fiduciary Net Position	<u>(1,117,607)</u>	<u>(1,117,607)</u>	235,660
Net Position Restricted for Individuals, Organizations, and Other Governments			
Beginning			<u>1,873,475</u>
Ending			<u><u>2,109,135</u></u>

**VILLAGE OF GURNEE, ILLINOIS**

**Consolidated Year-End Financial Report  
April 30, 2022**

CSFA #	Program Name	State	Federal	Other	Total
494-00-0967	High-Growth Cities Program	\$ 42,381	—	—	42,381
494-00-1488	Motor Fuel Tax Program	957,620	—	—	957,620
494-00-2356	Local Rebuild Illinois Bond Program	347,149	—	—	347,149
494-10-0343	State and Community Highway Safety/ National Priority Safety Program	19,985	—	—	19,985
	Other Grant Programs and Activities	—	382,531	4,133,980	4,516,511
	All Other Costs Not Allocated	—	—	44,901,753	44,901,753
	Totals	1,367,135	382,531	49,035,733	50,785,399



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

January 24, 2023

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Gurnee, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated January 24, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF GURNEE, ILLINOIS**

**Long-Term Debt Requirements  
Installment Contract Payable of 2019  
April 30, 2022**

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Date of Issue	April 15, 2019
Date of Maturity	May 1, 2022
Authorized Issue	\$31,334
Interest Rate	3.60%
Interest Date	Monthly
Principal Maturity Date	Monthly
Payable at	Bittersweet Equipment

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

Fiscal Year	Principal	Interest	Totals
2023	\$ 870	31	901

**VILLAGE OF GURNEE, ILLINOIS**

**Long-Term Debt Requirements  
General Obligation Promissory Note of 2020  
April 30, 2022**

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Date of Issue	September 15, 2020
Date of Maturity	September 15, 2030
Authorized Issue	\$5,900,000
Interest Rate	2.85%
Interest Date	September 15th
Principal Maturity Date	March 15th
Payable at	Libertyville Bank & Trust Co

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

Fiscal Year	Principal	Interest	Totals
2023	\$ 325,579	148,105	473,684
2024	334,945	138,760	473,705
2025	344,538	129,146	473,684
2026	354,427	119,257	473,684
2027	364,600	109,084	473,684
2028	375,066	98,619	473,685
2029	385,831	87,853	473,684
2030	396,906	76,779	473,685
2031	2,395,590	34,137	2,429,727
	<u>5,277,482</u>	<u>941,740</u>	<u>6,219,222</u>

## **STATISTICAL SECTION (Unaudited)**

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

### **Financial Trends**

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the government's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.



**VILLAGE OF GURNEE, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years**

**April 30, 2022 (Unaudited)**

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**See Following Page**

**VILLAGE OF GURNEE, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\***

**April 30, 2022 (Unaudited)**

	2013	2014	2015	2016
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 65,692,801	66,250,334	67,471,505	68,607,855
Restricted	5,880,004	3,189,760	3,256,758	2,435,165
Unrestricted (Deficit)	19,800,351	20,679,360	22,056,883	(16,248,626)
<b>Total Governmental   Activities Net Position</b>	<b>91,373,156</b>	<b>90,119,454</b>	<b>92,785,146</b>	<b>54,794,394</b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	59,091,137	58,144,394	57,190,210	57,057,122
Unrestricted	4,684,079	4,414,159	5,088,446	4,874,724
<b>Total Business-Type   Activities Net Position</b>	<b>63,775,216</b>	<b>62,558,553</b>	<b>62,278,656</b>	<b>61,931,846</b>
<b>Total Primary Government</b>				
Net Investment in Capital Assets	124,783,938	124,394,728	124,661,715	125,664,977
Restricted	5,880,004	3,189,760	3,256,758	2,435,165
Unrestricted (Deficit)	24,484,430	25,093,519	27,145,329	(11,373,902)
<b>Total Primary Government   Net Position</b>	<b>155,148,372</b>	<b>152,678,007</b>	<b>155,063,802</b>	<b>116,726,240</b>

Data Source: Village Records

2017	2018	2019	2020	2021	2022
71,604,563	72,521,382	72,883,954	73,048,132	72,080,771	71,261,240
1,803,349	1,525,602	2,465,101	753,861	1,633,446	2,463,194
(16,158,367)	(15,945,390)	(17,151,303)	(14,546,877)	(6,686,516)	13,925,705
57,249,545	58,101,594	58,197,752	59,255,116	67,027,701	87,650,139
57,011,487	58,392,013	58,261,518	59,328,919	59,059,111	59,623,202
5,705,034	4,988,694	5,715,057	4,331,433	5,899,531	6,362,208
62,716,521	63,380,707	63,976,575	63,660,352	64,958,642	65,985,410
128,616,050	130,913,395	131,145,472	132,377,051	131,139,882	130,884,442
1,803,349	1,525,602	2,465,101	753,861	1,633,446	2,463,194
(10,453,333)	(10,956,696)	(11,436,246)	(10,215,444)	(786,985)	20,287,913
119,966,066	121,482,301	122,174,327	122,915,468	131,986,343	153,635,549

**VILLAGE OF GURNEE, ILLINOIS**

**Changes in Net Position - Last Ten Fiscal Years  
April 30, 2022 (Unaudited)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental Activities										
General Government	\$ 6,473,460	5,380,574	5,413,872	8,351,874	6,173,990	5,544,025	7,211,923	9,434,286	5,706,170	5,763,632
Public Safety	22,407,935	23,540,500	24,441,027	29,898,354	27,203,359	27,808,376	29,040,076	30,219,913	27,519,374	27,424,644
Highways and Streets	11,421,475	10,924,366	8,461,722	11,545,960	10,130,465	10,328,932	8,153,488	8,801,576	7,509,642	8,553,834
Interest On Long-Term Debt	814,411	423,270	342,969	268,974	194,595	152,193	110,963	(64,260)	21,019	120,026
	41,117,281	40,268,710	38,659,590	50,065,162	43,702,409	43,833,526	44,516,450	48,391,515	40,756,205	41,862,136
Business-Type Activities										
Golf Course	120,748	19,818	19,250	19,250	19,250	19,250	19,250	108,747	68,479	21,142
Water and Sewer	7,980,033	8,795,519	8,028,216	8,174,054	8,694,834	8,255,401	8,665,298	9,450,358	7,732,870	8,902,121
	8,100,781	8,815,337	8,047,466	8,193,304	8,714,084	8,274,651	8,684,548	9,559,105	7,801,349	8,923,263
<b>Total Primary Government Expenses</b>	<b>49,218,062</b>	<b>49,084,047</b>	<b>46,707,056</b>	<b>58,258,466</b>	<b>52,416,493</b>	<b>52,108,177</b>	<b>53,200,998</b>	<b>57,950,620</b>	<b>48,557,554</b>	<b>50,785,399</b>
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
General Government	1,976,494	1,703,459	1,846,401	1,964,088	2,127,410	2,834,611	2,777,071	2,636,974	2,110,049	2,085,132
Public Safety	6,294,873	6,500,686	6,531,086	6,968,671	7,148,495	7,293,828	7,984,920	7,972,680	8,103,572	9,245,772
Highways and Streets	—	—	—	—	—	—	—	—	2,300,344	1,589,383
Operating Grants/Contributions	59,390	76,493	52,928	3,871	25,238	18,216	67,892	554,194	1,871,594	306,065
Capital Grants/Contributions	48,000	844,353	276,395	140,000	953,964	—	—	45,182	1,000,000	1,000,000
	8,378,757	9,124,991	8,706,810	9,076,630	10,255,107	10,146,655	10,829,883	11,209,030	15,385,559	14,226,352
Business-Type Activities										
Charges for Services										
Golf Course	—	—	—	—	—	—	1,790	—	—	—
Water and Sewer	7,734,669	7,812,433	7,882,600	8,080,082	9,290,080	8,936,729	9,301,866	9,045,999	8,898,269	9,720,384
	7,734,669	7,812,433	7,882,600	8,080,082	9,290,080	8,936,729	9,303,656	9,045,999	8,898,269	9,720,384
<b>Total Primary Government Program Revenues</b>	<b>16,113,426</b>	<b>16,937,424</b>	<b>16,589,410</b>	<b>17,156,712</b>	<b>19,545,187</b>	<b>19,083,384</b>	<b>20,133,539</b>	<b>20,255,029</b>	<b>24,283,828</b>	<b>23,946,736</b>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Net (Expenses) Revenues</b>										
Governmental Activities	\$ (32,738,524)	(31,143,719)	(29,952,780)	(40,988,532)	(33,447,302)	(33,686,871)	(33,686,567)	(37,182,485)	(25,370,646)	(27,635,784)
Business-Type Activities	(366,112)	(1,002,904)	(164,866)	(113,222)	575,996	662,078	619,108	(513,106)	1,096,920	797,121
<b>Total Primary Government Net Revenues/(Expenses)</b>	<b>(33,104,636)</b>	<b>(32,146,623)</b>	<b>(30,117,646)</b>	<b>(41,101,754)</b>	<b>(32,871,306)</b>	<b>(33,024,793)</b>	<b>(33,067,459)</b>	<b>(37,695,591)</b>	<b>(24,273,726)</b>	<b>(26,838,663)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes	28,824,673	29,605,363	11,081,179	15,095,104	14,098,797	14,339,756	16,372,878	16,569,185	12,409,010	18,784,920
Intergovernmental	—	—	21,275,275	20,770,143	21,385,781	19,934,663	20,672,430	19,426,692	20,312,059	29,788,707
Investment Earnings	34,450	16,064	10,117	52,654	55,105	175,672	683,386	758,975	253,690	(313,467)
Miscellaneous	70,427	52,296	85,461	306,310	562,770	88,829	106,058	1,543,997	293,472	156,469
Transfers	169,393	216,294	166,440	(134,760)	(200,000)	—	(200,000)	(59,000)	(125,000)	(158,407)
	29,098,943	29,890,017	32,618,472	36,089,451	35,902,453	34,538,920	37,634,752	38,239,849	33,143,231	48,258,222
<b>Business-Type Activities</b>										
Interest Income	2,959	2,535	1,409	7,654	(1,371)	2,108	125,205	137,883	68,025	64,213
Miscellaneous	42,175	—	50,000	50,000	10,050	—	—	—	8,345	7,027
Transfers	(169,393)	(216,294)	(166,440)	134,760	200,000	—	200,000	59,000	125,000	158,407
	(124,259)	(213,759)	(115,031)	192,414	208,679	2,108	325,205	196,883	201,370	229,647
<b>Total Primary Government</b>	<b>28,974,684</b>	<b>29,676,258</b>	<b>32,503,441</b>	<b>36,281,865</b>	<b>36,111,132</b>	<b>34,541,028</b>	<b>37,959,957</b>	<b>38,436,732</b>	<b>33,344,601</b>	<b>48,487,869</b>
<b>Changes in Net Position</b>										
Governmental Activities	(3,639,581)	(1,253,702)	2,665,692	(4,899,081)	2,455,151	852,049	3,948,185	1,057,364	7,772,585	20,622,438
Business-Type Activities	(490,371)	(1,216,663)	(279,897)	79,192	784,675	664,186	944,313	(316,223)	1,298,290	1,026,768
<b>Total Primary Government</b>	<b>(4,129,952)</b>	<b>(2,470,365)</b>	<b>2,385,795</b>	<b>(4,819,889)</b>	<b>3,239,826</b>	<b>1,516,235</b>	<b>4,892,498</b>	<b>741,141</b>	<b>9,070,875</b>	<b>21,649,206</b>

Data Source: Village Records

**VILLAGE OF GURNEE, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years**  
**April 30, 2022 (Unaudited)**

	2013	2014	2015	2016
General Fund				
Nonspendable	407,152	267,967	307,504	415,956
Assigned	—	—	—	678,105
Unassigned	22,610,364	21,872,649	23,345,369	23,825,296
Total General Fund	23,017,516	22,140,616	23,652,873	24,919,357
All Other Governmental Funds				
Nonspendable	1,104	1,370	678	678
Restricted	6,073,175	3,353,195	3,388,956	2,544,322
Committed	6,777,652	7,815,941	6,622,809	5,331,519
Total All Other Governmental Funds	12,851,931	11,170,506	10,012,443	7,876,519
Total All Governmental Funds	35,869,447	33,311,122	33,665,316	32,795,876

Data Source: Village Records

2017	2018	2019	2020	2021	2022
402,521	367,993	235,044	365,597	249,804	291,056
688,875	—	—	—	—	—
24,925,486	25,673,424	26,508,124	25,385,545	24,980,815	31,199,420
26,016,882	26,041,417	26,743,168	25,751,142	25,230,619	31,490,476
677	—	—	—	145,505	168,708
1,890,949	1,594,771	2,459,041	753,861	1,633,446	2,463,194
4,435,057	2,941,432	3,466,586	3,984,548	5,456,849	13,194,013
6,326,683	4,536,203	5,925,627	4,738,409	7,235,800	15,825,915
32,343,565	30,577,620	32,668,795	30,489,551	32,466,419	47,316,391

**VILLAGE OF GURNEE, ILLINOIS**

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years  
April 30, 2022 (Unaudited)**

	2013*	2014	2015
<b>Revenues</b>			
Taxes	\$ 9,334,690	9,494,034	11,074,187
Intergovernmental	22,311,093	23,892,713	24,298,206
Charges for Services	2,444,482	2,629,000	2,626,928
Licenses and Permits	1,099,577	807,727	931,524
Fines and Forfeitures	1,916,317	1,844,379	1,841,933
Interest Income	34,450	16,064	10,117
Miscellaneous	70,427	52,296	85,461
Total Revenues	<u>37,211,036</u>	<u>38,736,213</u>	<u>40,868,356</u>
<b>Expenditures</b>			
<b>Current</b>			
General Government	6,262,328	5,145,090	5,250,665
Public Safety	21,861,591	23,065,010	23,910,975
Highways and Streets	5,299,173	4,824,703	4,663,987
Capital Outlay	8,194,996	6,019,790	4,400,294
<b>Debt Service</b>			
Principal	1,070,000	1,935,000	2,035,000
Interest and Fiscal Charges	607,419	515,974	437,175
Total Expenditures	<u>43,295,507</u>	<u>41,505,567</u>	<u>40,698,096</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,084,471)</u>	<u>(2,769,354)</u>	<u>170,260</u>
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	1,219,295	—	—
Payment to Escrow	(1,198,109)	—	—
Disposal of Capital Assets	89,749	45,389	17,494
Transfers In	3,969,455	6,407,553	4,071,675
Transfers Out	(3,800,062)	(6,241,913)	(3,905,235)
	<u>280,328</u>	<u>211,029</u>	<u>183,934</u>
Net Change in Fund Balances	<u>(5,804,143)</u>	<u>(2,558,325)</u>	<u>354,194</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>4.1%</u>	<u>6.0%</u>	<u>6.3%</u>

\* In 2013, the Village reclassified sales taxes from the "Taxes" category to the "Intergovernmental" category.

Data Source: Village Records



2016	2017	2018	2019	2020	2021	2022
15,091,918	14,106,219	13,578,002	15,413,939	14,280,346	8,754,293	15,569,305
23,955,455	24,863,305	23,856,029	24,652,181	26,109,313	29,005,419	37,387,326
2,878,783	3,203,488	3,758,185	4,426,397	4,785,581	6,732,593	7,229,000
978,799	1,226,620	1,362,668	1,125,146	890,123	1,088,113	1,003,577
2,033,885	1,742,105	1,987,799	2,165,292	1,835,471	1,524,441	1,476,500
52,654	55,105	175,672	683,386	758,975	253,690	(313,467)
306,310	562,770	88,829	106,058	1,543,997	293,472	156,469
45,297,804	45,759,612	44,807,184	48,572,399	50,203,806	47,652,021	62,508,710
6,815,620	5,592,552	5,845,855	6,793,147	7,130,404	5,397,213	7,155,696
24,167,952	25,053,073	27,080,893	27,560,716	28,777,127	28,986,189	30,403,267
5,016,925	4,736,254	4,775,884	4,291,033	5,654,819	6,134,049	6,218,780
8,294,310	8,173,880	6,721,813	6,486,136	6,227,150	7,810,726	6,093,535
2,447,757	2,338,992	1,916,719	1,015,000	4,380,000	—	161,178
354,983	279,120	233,592	185,350	154,550	—	128,511
47,097,547	46,173,871	46,574,756	46,331,382	52,324,050	48,328,177	50,160,967
(1,799,743)	(414,259)	(1,767,572)	2,241,017	(2,120,244)	(676,156)	12,347,743
998,468	—	—	—	—	2,778,024	2,660,636
—	—	—	—	—	—	—
66,595	161,948	1,627	50,158	—	—	—
3,065,195	2,897,575	2,309,325	3,101,200	3,344,727	367,283	4,250,000
(3,199,955)	(3,097,575)	(2,309,325)	(3,301,200)	(3,403,727)	(492,283)	(4,408,407)
930,303	(38,052)	1,627	(149,842)	(59,000)	2,653,024	2,502,229
(869,440)	(452,311)	(1,765,945)	2,091,175	(2,179,244)	1,976,868	14,849,972
6.2%	6.1%	4.8%	2.7%	9.0%	0.0%	0.6%

**VILLAGE OF GURNEE, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years  
April 30, 2022 (Unaudited)**

Tax Levy Year	Real Estate	Railroads	Total Assessed Value	Estimated Actual Value of Property	Total Direct Tax Rate
2012	\$ 1,091,394,663	\$ 573,634	\$ 1,091,968,297	\$ 3,275,904,891	—
2013	1,028,678,075	714,080	1,029,392,155	3,088,176,465	—
2014	1,010,630,219	773,035	1,011,403,254	3,034,209,762	—
2015	1,038,151,038	942,110	1,039,093,148	3,117,279,444	—
2016	1,088,812,299	965,775	1,089,778,074	3,269,334,222	—
2017	1,122,204,032	989,009	1,123,193,041	3,369,579,123	—
2018	1,152,145,499	1,027,331	1,153,172,830	3,459,518,490	—
2019	1,188,967,186	1,101,490	1,190,068,676	3,570,206,028	—
2020	1,193,920,669	1,113,745	1,195,034,414	3,983,448,046	—
2021	1,210,933,815	1,113,745	1,212,047,560	4,040,158,533	—

Data Source: Office of the County Clerk of Lake County Certificate of Rates and Extensions

Note: Assume Total EAV is 1/3 of Estimated Actual Value

**VILLAGE OF GURNEE, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
April 30, 2022 (Unaudited)**

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**See Following Page**

**VILLAGE OF GURNEE, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
April 30, 2022 (Unaudited)**

	2012	2013	2014
Direct Rates			
Village of Gurnee*	—	—	—
Overlapping Rates for Grade School District 56			
Lake County Forest	0.2120	0.2180	0.2100
Warren Township	0.5750	0.6320	0.6576
North Shore Sanitary	0.1500	0.1640	0.1694
Gurnee Park District	0.4750	0.5140	0.5311
School District 56	4.2500	4.6770	4.9453
High School 121	2.1730	2.3940	2.5073
Warren Newport Library	0.3060	0.3330	0.3413
CLCJAWA Water	0.0520	0.0550	0.0559
College of Lake County	0.2720	0.2960	0.3061
County of Lake	0.6080	0.6630	0.6825
Overlapping Rates for Grade School District 50			
Lake County Forest	0.2120	0.2180	0.2100
Warren Township	0.5750	0.6320	0.3068
North Shore Sanitary	0.1500	0.1640	0.1694
Gurnee Park District	0.4750	0.5140	0.5311
School District 50	4.2310	4.6510	4.8400
High School 121	2.1730	2.3940	2.5073
Warren Newport Library	0.3060	0.3330	0.3413
CLCJAWA Water	0.0520	0.0550	0.0559
College of Lake County	0.2720	0.2960	0.3061
County of Lake	0.6080	0.6630	0.6825

\* The Village is a home-rule municipality and as such has the flexibility to levy property taxes. Rates for debt service are set based on each year's requirements; however, the Village has abated those taxes annually since 2000.

Overlapping rates are those of local and county governments that apply to property owners within the Village of Gurnee. They have been further broken down into the two grade school districts that straddle the Village: Grade School District 56 and District 50.

Data Source: Lake County Clerk Tax Extension Office

2015	2016	2017	2018	2019	2020	2021
—	—	—	—	—	—	—
0.2079	0.1929	0.1873	0.1821	0.1798	0.1818	0.1789
0.6476	0.2911	0.2826	0.3326	0.2789	0.6179	0.6221
0.1656	0.1568	0.1527	0.1532	0.1530	0.1571	0.1583
0.5222	0.5044	0.5006	0.5164	0.4940	0.5042	0.5074
4.9927	4.8222	4.7698	4.8501	4.5034	4.4946	4.5185
2.4833	2.4343	2.4324	2.6331	2.3091	2.3481	2.3569
0.3348	0.3694	0.2735	0.3281	0.3066	0.3119	0.3121
0.0541	0.0458	0.0408	—	—	—	0.0001
0.2994	0.2854	0.2806	0.2878	0.2815	0.2897	0.2935
0.6628	0.6320	0.6218	0.6117	0.5968	0.5980	0.5977
0.2079	0.1929	0.1873	0.1821	0.1798	0.1818	0.1789
0.6476	0.2911	0.2826	0.3326	0.2789	0.6179	0.6221
0.1656	0.1568	0.1527	0.1532	0.1530	0.1571	0.1583
0.5222	0.5044	0.5006	0.5164	0.4940	0.5042	0.5074
4.6940	4.5225	4.2801	4.3703	4.2595	4.2885	4.3308
2.4833	2.4343	2.4324	2.6331	2.3091	2.3481	2.3569
0.3348	0.3694	0.2735	0.3281	0.3066	0.3119	0.3121
0.0541	0.0458	0.0408	—	—	—	0.0001
0.2994	0.2854	0.2806	0.2878	0.2815	0.2897	0.2935
0.6628	0.6320	0.6218	0.6117	0.5968	0.5980	0.5977

**VILLAGE OF GURNEE, ILLINOIS**

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2022 (Unaudited)**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Mall at Gurnee Mills LLC	\$ 48,459,363	1	4.00%	\$ 54,284,820	1	4.51%
Great America LLC	18,883,779	2	1.56%	28,783,920	2	2.39%
Breit MF Osprey Lake LLC	18,056,255	3	1.49%			
WH Pembroke Property Owner LLC	9,909,348	4	0.82%			
GWR Illinois Property Owner LLC	9,565,316	5	0.79%			
MJFS Lanham LLC	9,013,663	6	0.74%			
CV II Gurnee, LLC	7,974,089	7	0.66%	9,949,049	4	0.83%
Inland Western Gurnee, LLC	7,725,524	8	0.64%	6,632,819	10	0.55%
Northside Community Bank	7,074,183	9	0.58%	8,344,832	8	0.69%
Wal-Mart Stores, Inc	6,443,504	10	0.53%	9,512,967	6	0.79%
The Realty Associates Fund IX, LP				13,728,624	3	1.14%
Gurnee Water Park LLC				9,564,657	5	0.80%
Bank of Waukegan				9,094,847	7	0.76%
PC Gurnee LLC				6,967,020	9	0.58%
	<u>143,105,024</u>		<u>11.81%</u>	<u>156,863,555</u>		<u>13.04%</u>

Data Source: Lake County Clerk, Tax Extension Office

**VILLAGE OF GURNEE, ILLINOIS**

**Taxable Sales by Category - Last Ten Calendar Years  
April 30, 2022 (Unaudited)**

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**See Following Page**

## VILLAGE OF GURNEE, ILLINOIS

### Taxable Sales by Category - Last Ten Calendar Years April 30, 2022 (Unaudited)

	2012	2013	2014
General Merchandise	\$ 3,339,946	3,399,755	3,432,456
Food	640,712	665,162	790,574
Drinking & Eating	1,797,195	1,853,158	1,900,733
Apparel	1,723,234	1,773,377	1,775,780
Furniture & Fixtures	1,089,020	1,100,279	1,041,555
Lumber & Hardware	996,896	1,149,446	1,276,233
Auto & Filling Stations	2,522,124	2,656,420	2,677,339
Drugs & Other Retail	2,569,294	2,651,087	2,771,976
Agriculture & All Other	1,340,574	1,375,516	1,577,094
Manufacturers	268,205	282,231	283,231
Total	16,287,200	16,906,431	17,526,971

\*Effective January 1, 2015, the Village increased the home rule sales tax rate from 0.50% to 1.00%.

Data Source: Illinois Department of Revenue



2015*	2016	2017	2018	2019	2020	2021
4,268,858	3,195,744	2,975,184	3,037,724	2,905,827	2,469,593	3,076,884
1,164,903	2,028,064	2,154,589	2,235,415	2,223,591	2,373,489	2,545,945
2,674,460	2,819,326	2,743,373	2,835,860	3,079,566	2,101,950	2,951,895
2,328,231	2,336,877	2,213,383	2,285,281	2,245,206	1,470,521	2,427,328
1,433,597	1,414,274	1,457,322	1,528,640	1,560,219	1,401,367	1,706,196
1,823,618	1,856,506	1,954,914	1,918,510	1,629,185	1,912,716	2,100,225
2,471,248	2,308,323	2,292,389	2,617,213	2,670,356	2,374,522	3,026,469
3,129,030	3,501,734	3,301,705	3,180,934	2,871,814	2,781,063	4,819,886
2,472,555	2,185,444	2,298,991	2,277,340	2,228,073	1,235,598	2,309,369
400,537	409,185	402,566	409,788	427,767	332,319	443,104
22,167,037	22,055,477	21,794,416	22,326,705	21,841,604	18,453,138	25,407,301

**VILLAGE OF GURNEE, ILLINOIS**

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years  
April 30, 2022 (Unaudited)**

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Fiscal Year	Home Rule Sales Tax Rate	State Sales Tax Rate	Total Tax Rate
2013	0.50%	7.00%	7.50%
2014	0.50%	7.00%	7.50%
2015	1.00%	7.00%	8.00%
2016	1.00%	7.00%	8.00%
2017	1.00%	7.00%	8.00%
2018	1.00%	7.00%	8.00%
2019	1.00%	7.00%	8.00%
2020	1.00%	7.00%	8.00%
2021	1.00%	7.00%	8.00%
2022	1.00%	7.00%	8.00%

Data Source: Illinois Department of Revenue

Note: Home rule sales tax increased to 1% January 1, 2015.

The State Sales Tax Rate is broken into 6.25% Illinois Department of Revenue and 0.75% Regional Transportation Authority.

**VILLAGE OF GURNEE, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years  
April 30, 2022 (Unaudited)**

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income *	Per Capita*
	Loan Payable	General Obligation Bonds	Promissory Note	IEPA Loans Payable	Installment Contracts Payable			
2013	\$ —	\$ 15,608,869	\$ —	\$ —	\$ —	\$ 15,608,869	1.34%	497
2014	—	13,610,901	—	—	—	13,610,901	1.17%	435
2015	—	11,512,932	—	—	—	11,512,932	1.00%	368
2016	660,711	9,339,964	—	—	—	10,000,675	0.87%	320
2017	91,719	7,506,996	—	—	—	7,598,715	0.59%	243
2018	—	5,619,028	—	—	—	5,619,028	0.43%	180
2019	—	4,541,060	—	2,442,990	37,834	7,021,884	0.53%	224
2020	—	—	—	4,637,496	21,760	4,659,256	0.35%	151
2021	—	—	2,778,024	5,129,401	11,315	7,918,740	0.55%	254
2022	—	—	5,277,482	4,658,522	870	9,936,874	0.69%	327

Note: Details of the Village's outstanding debt can be found in the notes to the financial statements.

\*See the Schedule of Demographic and Economic Statistics for personal income and population data.

Data Source: Village Records

**VILLAGE OF GURNEE, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
April 30, 2022 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less Amounts Available for Debt Service	Total Net Bonds	Percentage of Equalized Assessed Value of Property*	Per Capita **
2013	\$ 15,608,869	\$ 1,169,055	\$ 14,439,814	1.32%	460
2014	13,610,901	1,205,910	12,404,991	1.21%	397
2015	11,512,932	1,236,872	10,276,060	1.02%	328
2016	9,339,964	1,260,125	8,079,839	0.78%	258
2017	7,506,996	1,282,850	6,224,146	0.57%	199
2018	5,619,028	1,303,381	4,315,647	0.38%	138
2019	4,541,060	1,336,752	3,204,308	0.28%	102
2020	—	—	—	0.00%	—
2021	—	—	—	0.00%	—
2022	—	—	—	0.00%	—

Note: Details of the Village's outstanding debt can be found in the notes to the financial statements.

\*See the Schedule of Assessed Value and estimated Actual Value of Taxable Property for property value data.

\*\*See the Schedule of Demographic and Economic Statistics for population data.

Data Source: Village Records

**VILLAGE OF GURNEE, ILLINOIS**

**Direct and Overlapping Governmental Activities Debt  
April 30, 2022 (Unaudited)**

Governmental Unit	(1) Outstanding Debt (thousands)	(2) Percentage of Debt Applicable to Village	(3) Village's Share of Debt
Village of Gurnee	\$ 5,277,482	100.00%	\$ 5,277,482
Overlapping			
Gurnee Park District	17,422	97.31%	16,953
Waukegan Park District	31,835	1.63%	519
Warren Newport Library	4,692	57.50%	2,698
Lake County	173,375	4.44%	7,698
Lake County Forest Preserve	218,996	4.44%	9,723
Community College #532	101,020	4.68%	4,728
School District 60	34,510	0.04%	14
School District 50	121,211	50.70%	61,454
School District 56	31,941	56.23%	17,960
High School District 121	134,968	52.63%	71,034
Total Overlapping Debt	<u>869,970</u>		<u>192,781</u>
 Total Direct and Overlapping Debt	 <u><u>6,147,452</u></u>		 <u><u>5,470,263</u></u>

Data Sources:

(1) Lake County Tax Extension Department

(2) Determined by ratio of assessed value of property subject to taxation in Village of Gurnee to value of property subject to taxation in overlapping unit.

(3) Amount in column (2) by amount in column (1)

**VILLAGE OF GURNEE, ILLINOIS**

**Debt Margin Information - Last Ten Fiscal Years  
April 30, 2022 (Unaudited)**

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2013	\$ 94,182,266	\$ 15,070,000	\$ 79,112,266	16.0%
2014	88,785,073	13,135,000	75,650,073	14.8%
2015	87,233,531	10,687,068	76,546,463	12.3%
2016	89,621,784	8,640,036	80,981,748	9.6%
2017	93,993,359	7,220,000	86,773,359	7.7%
2018	96,875,400	(161,060)	97,036,460	(0.2%)
2019	99,461,157	4,380,000	95,081,157	4.4%
2020	102,643,423	—	102,643,423	—%
2021	103,071,718	2,778,024	100,293,694	2.7%
2022	104,539,102	5,277,482	99,261,620	5.0%

Legal Debt Margin Calculation for Fiscal Year 2022

Total Equalized Assessed Valuation - 2021	\$ 1,212,047,560
Debt Limit - 8.625% of Total EAV	104,539,102
Total Outstanding Debt	5,277,482
Less Debt Not Applicable to Debt Limit	—
Net Debt Applicable to Limit	5,277,482
Legal Debt Margin	99,261,620

Data Source: Lake County Clerk and Village Records

Note: Under state law, as a homerule municipality, the Village has no legal limit on the amount of outstanding general obligation debt it may issue; however, in 2005, the Village adopted a self-imposed limit of 8.625% of EAV, consistent with the legal limit set forth for non-homerule communities in Illinois.

**VILLAGE OF GURNEE, ILLINOIS**

**Demographic and Economic Statistics - Last Ten Calendar Years  
April 30, 2022 (Unaudited)**

Calendar Year	(1) Population	(2) Per Capita Income	(2) Total Personal Income	(1) Median Age	(1) Education Level in Years of Schooling	(3) School Enrollment	(4) Unemployment Rate
2012	31,424	\$ 36,950	\$ 1,161,117,000	37.8	14.4	13,194	7.7%
2013	31,284	37,231	1,164,735,000	39.0	14.2	13,091	7.5%
2014	31,284	36,694	1,147,935,096	38.8	14.5	13,000	6.4%
2015	31,284	36,694	1,147,935,096	38.8	14.5	13,000	4.4%
2016	31,284	41,327	1,292,873,868	39.6	14.5	13,100	4.4%
2017	31,284	42,010	1,314,240,840	39.3	14.5	13,100	3.7%
2018	31,284	42,010	1,314,240,840	39.3	14.5	13,215	3.8%
2019	30,767	42,783	1,316,304,561	39.0	14.5	13,215	4.3%
2020	31,207	46,432	1,449,003,424	41.0	14.5	11,625	5.3%
2021	30,378	47,671	1,448,149,638	41.0	14.5	10,416	5.3%

Data Source: Illinois Department of Employment, city-data.com

(1) Population, median age and education level figures are based on surveys conducted during the last quarter of the calendar year.

(2) Personal income information is a total for the year and data is not available at local level so Lake County Data is utilized.

(3) School enrollment is the total of Elementary and High School.

(4) Unemployment rate information is an adjusted yearly average.

**VILLAGE OF GURNEE, ILLINOIS**

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2022 (Unaudited)**

Employer	2022		2013		
	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Gurnee Mills	N/A	N/A	N/A		N/A
Six Flags Great America	N/A	N/A	N/A		N/A
Nosco Printing Group	N/A	N/A	N/A		N/A
Gurnee School District No. 56	N/A	N/A	N/A		N/A
Kenall Mfg. Co.	N/A	N/A	N/A		N/A
Domino Amjet, Inc.	N/A	N/A	N/A		N/A
Nypro Chicago, Inc.	N/A	N/A	N/A		N/A
Lambent Technologies	N/A	N/A	N/A		N/A
Danaher Controls	N/A	N/A	N/A		N/A
Henderson & Son, Inc.	N/A	N/A	N/A		N/A
	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>		<u>N/A</u>

Source: Village Records

Note: Due to privacy concerns, the Village no longer reports the number of employees employed by each employer.

N/A - Not Available



**VILLAGE OF GURNEE, ILLINOIS**

**Full-Time and Part-Time Employees by Function - Last Ten Fiscal Years  
April 30, 2022 (Unaudited)**

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**See Following Page**

## VILLAGE OF GURNEE, ILLINOIS

### Full-Time and Part-Time Employees by Function - Last Ten Fiscal Years April 30, 2022 (Unaudited)

Function	2013	2014	2015
General Government			
Administration	12.85	12.85	13.75
Planning/Building	9.55	9.75	8.65
Engineering	6.80	6.80	6.25
Public Safety			
Fire	52.95	52.70	58.70
Police	78.00	80.00	80.00
Communications	13.75	13.75	14.95
Public Works			
Streets	16.20	16.20	16.60
Vehicle Maintenance	4.00	4.00	4.00
Utility	13.65	13.65	13.85
Totals	207.75	209.70	216.75

Data Source: Village Records

Note: A full-time employee is scheduled to work a standard 2,080 hour per year, or 2,756 for sworn fire personnel (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by standard.

2016	2017	2018	2019	2020	2021	2022
14.75	13.75	14.02	14.07	14.07	12.15	13.65
8.65	8.65	8.60	8.90	8.90	7.50	7.50
7.25	7.25	7.25	6.75	6.75	5.00	4.50
57.70	57.60	56.50	62.00	62.00	62.00	62
79.00	81.50	81.50	82.50	83.50	75.00	79.50
14.95	15.00	21.00	22.25	22.25	21.50	23.25
16.60	16.60	17.40	17.20	17.20	17.00	17.02
4.00	4.00	4.00	4.00	4.00	4.00	4.00
13.85	13.35	13.35	13.85	13.85	13.30	12.53
216.75	217.70	223.62	231.52	232.52	217.45	223.95

**VILLAGE OF GURNEE, ILLINOIS**

**Operating Indicators by Function - Last Ten Fiscal Years**

**April 30, 2022 (Unaudited)**

Function	2013	2014	2015	2016
<b>General Government</b>				
General Business Licenses Issued	1,287	1,149	1,155	1,162
Number of Commercial Units Constructed	2	4	5	5
Value of Commercial Construction	\$ 9,710,000	7,182,058	5,465,209	7,820,708
Number of Residential Units Constructed	9	7	4	8
Value of Residential Construction	\$ 3,283,000	2,379,380	956,623	2,549,629
<b>Public Safety</b>				
911 Calls	21,179	21,373	18,742	20,627
Police Responses (1)	60,959	65,003	72,056	63,893
Physical Arrests (3)	1,532	1,175	1,045	861
Traffic Citations Written	8,020	6,049	5,863	4,736
Parking Violations (3)	1,475	1,935	1,068	1,017
Fire Responses (2)	5,551	5,959	6,255	6,220
Emergency Medical Responses (3)	3,601	3,858	4,216	4,208
Fire Department Mutual Aid Responses (3)	504	557	581	533
<b>Streets &amp; Highways</b>				
Miles of Streets Resurfaced	1.5	3.8	3.8	—
Inches of Snowfall	39.9	70.9	41.8	30.8
Tons of Salt Used in Snow Plowing	2,421	4,033	1,884	1,799
Number of Parkway Trees Planted	276	213	120	141
<b>Utility</b>				
Number of Water Main Breaks (3)	34	30	34	25
Total Water Consumption (Millions of Gallons)	1,265	1,305	1,365	1,274
Number of Water Meters Replaced	65	201	128	93
Average Daily Consumption (Million of Gallons)	3.5	3.8	3.7	3.6

Data Source: Various Village Departments

(1) Police responses include contact through 9-1-1, non-emergency lines, walk-up window traffic and self-initiated by officer.

(2) Fire responses include all emergency responses such as fire, false alarms, emergency medical, auto accidents and mutual aids.

(3) These indicators are reported on a calendar year.

2017	2018	2019	2020	2021	2022
1,150	1,162	1,137	1,188	1,125	1,235
5	5	6	2	4	5
24,146,129	7,365,000	14,749,943	14,564,250	16,660,344	17,161,153
22	49	21	3	3	—
4,391,360	7,404,761	3,386,410	481,930	866,400	—
31,079	36,350	37,415	27,884	29,543	42,985
66,538	71,241	71,315	70,269	60,797	64,142
794	703	693	654	366	408
5,399	5,413	5,047	4,323	3,615	3,460
1,007	1,646	1,644	1,125	986	728
6,230	6,819	7,047	6,871	6,347	7,408
4,261	4,542	4,574	4,555	4,115	5,244
562	646	573	519	486	475
3.8	3.6	3.8	4.7	2.4	2
35.4	33	52.5	25.5	42	22
1,891	2,766	3,595	2,421	2,635	2,061
168	120	190	102	67	68
32	34	33	23	25	37
1,327	1,254	1,290	1,226	1,125	1,508
135	63	154	86	82	220
3.6	3.4	3.5	3.4	3.1	4

**VILLAGE OF GURNEE, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
April 30, 2022 (Unaudited)**

Function	2013	2014	2015	2016
<b>Municipal Buildings</b>				
Police Station/Dispatch Center	1	1	1	1
Fire Stations	2	2	2	2
Public Works Facilities	1	1	1	1
Village Hall	1	1	1	1
<b>Highways and Streets</b>				
<b>Miles of Streets</b>				
Village	118	118	118	118
County	17	17	17	17
U.S. & State	33	33	33	33
Private	24	24	24	24
<b>Number of Street Lights</b>				
Village	1,687	1,687	1,687	1,687
ComEd	459	459	459	459
County	23	23	23	23
Private	20	20	20	20
State	34	34	34	34
<b>Utility</b>				
Miles of Watermain	182	182	182	182
Miles of Sanitary Sewers	140	140	140	140
Miles of Storm Sewers - Village	135	135	135	135
Miles of Storm Sewers - Other	26	26	26	26
Number of Sanitary Force Mains	5	5	5	5
<b>Facilities not Included in the Reporting Entity</b>				
Number of Elementary Schools	8	8	8	8
Number of High Schools	2	2	2	2
Number of Libraries	1	1	1	1
Park District Acres	400	403	403	403

Data Source: Various Village Departments

2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
2	2	2	2	3	3
1	1	1	1	1	1
1	1	1	1	1	1
118	118	118	118	120	120
17	17	17	17	17	17
33	33	33	33	33	33
24	24	24	24	24	24
1,691	1,691	1,742	1,742	1,727	1,730
459	459	463	463	463	463
23	23	23	23	32	32
20	20	302	302	302	302
34	35	35	36	43	43
184	184	179	179	182	184
141	141	143	143	142	145
137	137	135	135	135	137
26	26	26	26	67	67
5	5	6	6	8	8
8	8	8	8	8	8
2	2	2	2	2	2
1	1	1	1	1	1
403	403	450	450	450	450