

# VILLAGE OF



# GURNEE

# ILLINOIS

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## **Annual Comprehensive Financial Report**

FOR THE FISCAL YEAR ENDED APRIL 30, 2023

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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, 2023**

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, 2023**

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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 RESOURCES DIRECTOR**

Christine Palmieri

**INFORMATION SYSTEMS DIRECTOR**

Christopher Velkover

**VILLAGE ENGINEER**

Nicholas Leach, P.E.

**COMMUNITY DEVELOPMENT DIRECTOR**

David Ziegler, P.E.

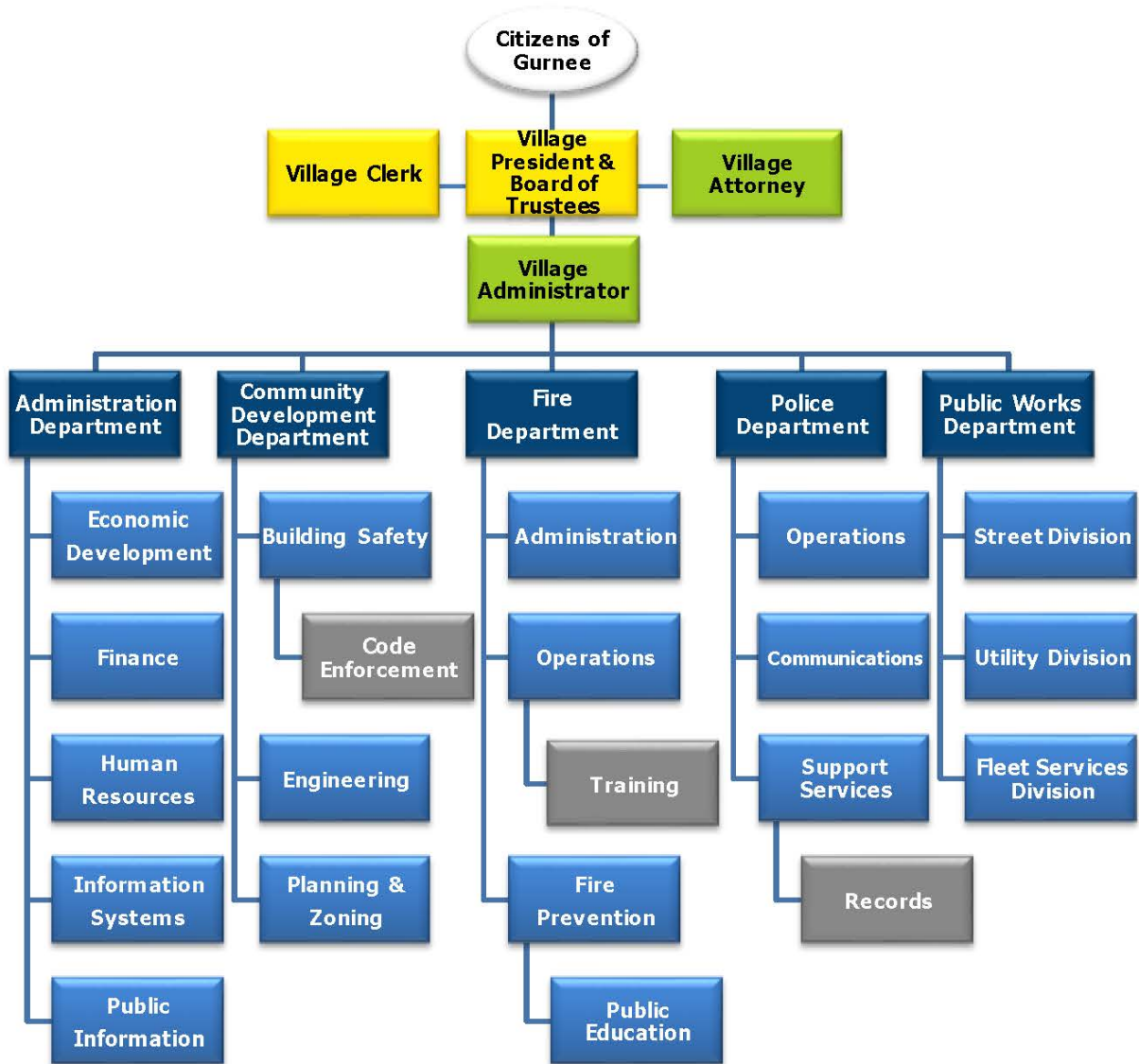
**ASSISTANT TO THE VILLAGE ADMINISTRATOR**

Austin Pollack

**ECONOMIC DEVELOPMENT DIRECTOR**

Ellen Dean

# ORGANIZATIONAL CHART



## LEGEND



= Elected Official



= Appointed Official



= Department



= Division



= Responsibility Center





Thomas B. Hood, Mayor

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

December 6, 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, 2023, 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 online 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 30,521 residents (2022 Estimated). 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**

**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 2022/2023 tourism season continued to benefit from a strong consumer and pent-up pandemic demand for leisure travel; revenues received by the Village for Hotel Tax and Food & Beverage Tax this year were up 11.8% and 10.4% respectively as compared to FY 2021/2022.

**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 and position Gurnee Mills as a "first to market" location for new retail entrants to the Chicagoland market. New tenants at Gurnee Mills in 2019 included national soft goods retailers AKIRA and Famous Footwear and All on Target soft shooting gallery. In March 2020, four northeastern Illinois/ southeastern Wisconsin radio stations owned by Alpha Media, which operates in over 50 markets nationwide, began broadcast operations at Gurnee Mills. During the core of the pandemic, in FY 2020/2021, 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. In FY 2022/2023, Kohl's comprehensively remodeled to add a Sephora Beauty. Joe's Boots, Revolver apparel, Charming Sofia, and China Experience Restaurant were among the many retailers and restaurants opened; and permits were issued for a new Mrs. Fields & TCBY and Cinnabon. Remodels/relocations in FY 2022/2023 included Bath and Body Works, Lids, and Journey's. Investments like these - of all sizes and types - augment the regional appeal of this retail and entertainment destination center.

**Six Flags Great America**, a 300-acre theme park and 20-acre outdoor water 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 reopened 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. The 2023 season brought a new Special Events & Festivals series including Flavors of the World, Neon Nights – an extravagant nighttime parade and fireworks, and Viva La Fiesta; culinary enhancements; a new in-park beer garden and continued park beautification. For 2024, Six Flags Great America will again be enhancing its thrill-ride inventory with the addition of Sky Striker, a pendulum ride which will send riders 172 feet into the air, swinging at speeds of 75 miles per hour.

**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; MagiQuest immersive adventure; 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 2022/2023. In addition to its year-round activities, the Lodge's annual Summer Camp-In and Howl-o-Ween celebrations are family favorites.

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. Simon Property Group, owner of Gurnee Mills, utilizes the expertise of the Gurnee Police Department to educate its shopping center managers around the U.S. on the efficacy of this system. The Village continues 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 is expected to 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. In FY 2022/2023, the Village Board again appropriated funding for this program and \$254,013 was awarded to 21 recipients, including two larger grants of \$50,000 awarded via competitive application process toward projects with a minimum investment @ \$100,000.

**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, 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; with the waning of the pandemic, production at this plant ceased in FY 2022/2023. One of the newest entrants to the business parks, AZ Polymers, a locally owned producer of high grade polycarbonate sheeting, commenced production in a 90,000 square foot manufacturing facility. Restaurant Depot, a restaurant wholesale facility opened in a 44,000 square foot commercial warehouse on a 7-acre site near Grand Avenue.

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, Legat Architects, Columbia College, DeVry Educational Institute, Ultimate Gymnastics, Launch Trampoline Park/Family Entertainment Center, Extreme Flight Simulation, and craft distillery Pips Meadery. 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, has attracted a variety of professional and service 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 2022/2023 the College of Lake County opened 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. The 2022-2023 academic year represented the first year of instruction in this world-class facility.

### **FY 2022/2023 Development Highlights:**

#### Commercial:

- Cooper's Hawk Winery & Restaurant: opened a 10,600 square foot restaurant building on a new outlot at Rollins Road & Grand Avenue on the site of the former Lowe's home improvement center
- Lola's Tacos & Tequila - a new concept by a successful locally owned chain of restaurants - commenced construction on a remodel of the former Chicago Woodfire Pizza space at Gurnee Mills
- Kohl's comprehensively remodeled to add a Sephora Beauty
- New Tenants at Gurnee Mills included Joe's Boots, Revolver apparel, Charming Sofia, and China Experience Restaurant. Remodels/relocations included Bath and Body Works, Lids, and Journey's.
- Taco Pros, a quick service restaurant with several Chicagoland locations, opened at 6681 Grand Ave.
- FedEx opened at 6641 Grand Avenue
- Topper's carryout pizzeria opened at 5572 Grand Avenue
- Bubble Tea Lab opened at 4949 Grand Avenue
- Caribana Island Grill featuring Caribbean cuisine, live entertainment, and outdoor patio dining opened at 5250 Grand Avenue

## **FY 2022/2023 Development Highlights - Continued:**

### Commercial - Continued:

- Pips Meadery, craft distillery, completed construction at 1350 Tri-State Parkway
- Tropical Smoothie Café, a quick service restaurant with drive-thru, opened at 7010 Grand Avenue
- Dan's Deals, wholesale retail, opened on East Grand Avenue
- The Gurnee Farmers Market continued for a second season, weekly on Sundays, at Riverside Plaza coordinated by the owner of Riverside Café
- Also at Riverside Plaza, Logan's House Gurnee - Dog Daycare & Grooming – opened
- Shoe Carnival received approval for a new Tenant Finish at Grand Hunt Plaza
- Popshelf opened at Gurnee Town Center
- Anthony Buick GMC - now Woody's Buick GMC - completed construction and opened a new 33,700 square foot dealership on Northridge Drive, relocating from its prior Gurnee location
- Discount Tire began construction on a new retail/service center at the site of the former Krispy Kreme at 1508 Nations Drive
- Eagle Fence continued construction on a building addition and remodel
- US Bank opened in a new 3,200 square foot building on the site of the former Uno Pizzeria
- Remodels at Gurnee Dodge and Gurnee Volkswagen; Sam's Club; Jewel; T-Mobile; three McDonald's locations; Steak n Shake; Nohadra Food Market at Saratoga Square; and Speedway were in various stages of construction during FY 2022/2023

### Industrial/Office:

- Restaurant Depot, a commercial wholesaler of food and kitchen supplies, completed ground-up construction of its restaurant supply facility on seven acres near Grand Avenue & I-94; customers are primarily independent restaurateurs but all holders of a business license or nonprofits may apply to shop
- Kiefer USA, manufacturer of athletic flooring, opened at 1225 Tri-State Parkway
- The College of Lake County began instruction for the 2022-2023 academic year at its state-of-the-art Advanced Technology Center, a \$60 million investment in the former Lowe's home improvement center, 7735 Grand Avenue
- AKHAN Semiconductor completed a remodel of its mezzanine area
- Art Expressions, designer of art installations for corporate, healthcare, and educational settings, opened on Lakeside Drive.
- State Career College, post-secondary nursing and medical assistant training, opened on East Grand Avenue
- Fulton Grace Realty based in Chicago added a north suburban office in Gurnee, at Saratoga Square
- Children's Dentistry of Lake County was under construction with a comprehensive remodel of a former bank building at 5384 Grand Avenue
- Forest Orthodontics and Pediatric Dentistry began construction at 7500 Grand Avenue
- Additional office tenants, including many healthcare/medical, included Alternative Medicine (telehealth), Cranial Technologies (plagiocephaly orthotics and prosthetics), In-depth Patient Advocates, Carestaff Doctors, Wright Advocate Counseling, Great Lakes Psychology, Vital Signs Natural Health Now, McLaughlin Acupuncture, Hawthorn Behavioral Health, Vision One Lasik Center, Bella Dental Studios, Centered Psychiatry, and Vibrant Integrative Psychiatry, Arosa Healthcare, Youth and Family Counseling, Apex Pediatric Speech Therapy, Lake Villa Dental, and One Hope United
- SDM Transport submitted plans for new construction of vehicle transport office headquarters at 1500 N. Delany Road
- Frontier Soups, manufacturer of dry soup mixes which are distributed nationally, took occupancy of 2011 Swanson Court
- United Stone Works, granite and stone fabricator, took occupancy of 1514 St. Paul Avenue
- First Care Transportation, dispatch center for medical transport, opened at 4237 Grove Avenue

**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, 2022. 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.

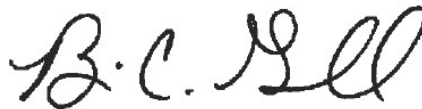
A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Village of Gurnee received the GFOA's Distinguished Budget Presentation Award for its 2023/2024 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, 2022

*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**

December 6, 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, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

**Basis for Opinions**

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

### **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, 2023

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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, 2023

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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, 2023

**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	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	50,822	56,944	10,817	8,484	61,639	65,427
Capital Assets	75,413	76,539	65,469	64,283	140,881	140,821
<b>Total Assets</b>	<b>126,235</b>	<b>133,483</b>	<b>76,285</b>	<b>72,766</b>	<b>202,520</b>	<b>206,249</b>
Deferred Outflows of Resources	18,605	6,018	1,016	691	19,620	6,709
<b>Total Assets and Deferred Outflows</b>	<b>144,839</b>	<b>139,500</b>	<b>77,301</b>	<b>73,457</b>	<b>222,140</b>	<b>212,958</b>
Current Liabilities	4,964	4,176	1,118	1,299	6,082	5,476
Noncurrent Liabilities	44,330	34,898	5,437	5,345	49,768	40,243
<b>Total Liabilities</b>	<b>49,294</b>	<b>39,074</b>	<b>6,555</b>	<b>6,644</b>	<b>55,850</b>	<b>45,719</b>
Deferred Inflows of Resources	7,075	12,776	1,195	827	8,270	13,603
<b>Total Liabilities and Deferred Inflows</b>	<b>56,369</b>	<b>51,850</b>	<b>7,751</b>	<b>7,472</b>	<b>64,120</b>	<b>59,322</b>
Net Position:						
Net Investment in Capital Assets	75,413	71,261	61,290	59,623	136,702	130,884
Restricted	2,170	2,463	—	—	2,170	2,463
Unrestricted	10,887	13,926	8,261	6,362	19,148	20,288
<b>Total Net Position</b>	<b>88,470</b>	<b>87,650</b>	<b>69,550</b>	<b>65,985</b>	<b>158,020</b>	<b>153,636</b>

\*Variation in values may occur due to rounding

The Village combined net position increased by \$4,385 thousand from \$153.6 million to \$158.0 million. Governmental Activities net position increased by \$0.8 million. The largest changes in Governmental Activities Assets include a reduction in receivables due primarily to Federal Grants receivable in the prior year of \$2.1 million, a decrease in nondepreciable assets due to Fire Station #3 moving from construction in progress to an active buildings asset of \$6.3 million, and a reduction in net pension asset - IMRF of \$3.4 million. Deferred outflows increased \$4.6 million due to changes in net pension obligations as a result of differences in expected and actual experience. The largest changes in Governmental Activities liabilities include increases in net pension liabilities and the reduction of a promissory note payable of \$4.9 million due to paying off Fire Station #3 early. Deferred inflows decreased \$5.7 million due to changes in net pension obligations as a result of differences in expected and actual experience.

Business-Type Activities net position increased \$3.6 million. The largest changes in Business-Type Activities assets include an increase of cash and receivables of \$2.8 million, and changes in capital assets due to large water main projects. The largest changes in liabilities include decreases in the IEPA Loan payable of \$485 thousand.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
April 30, 2023

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.

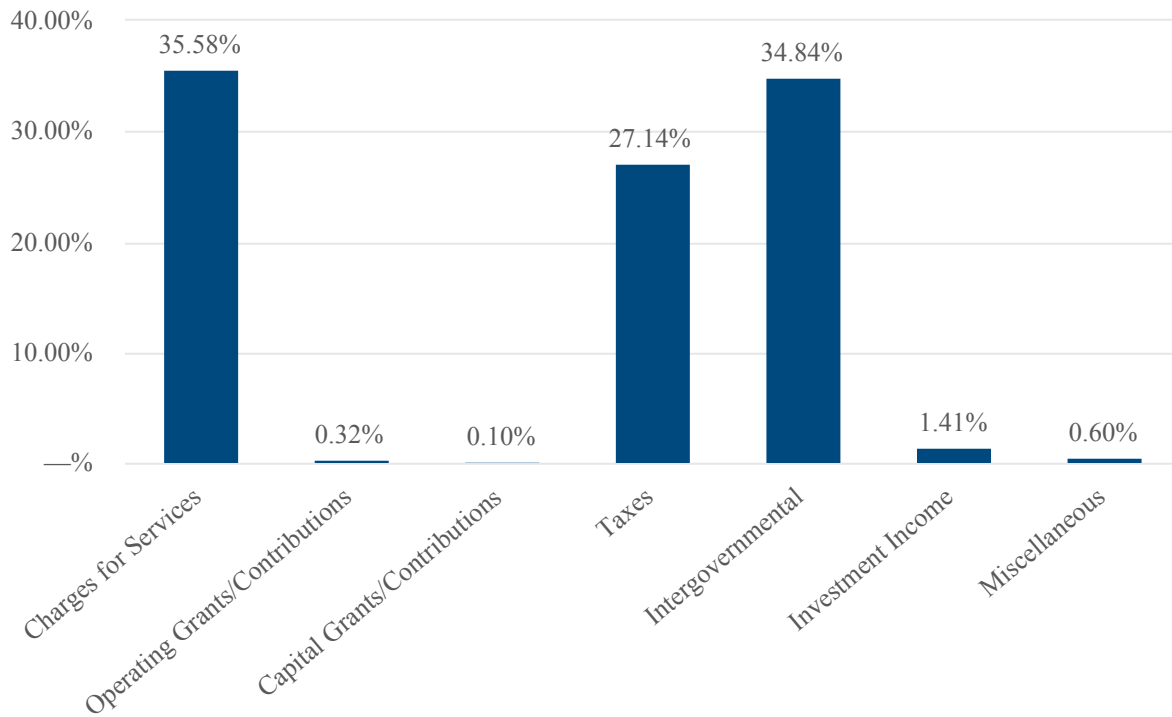
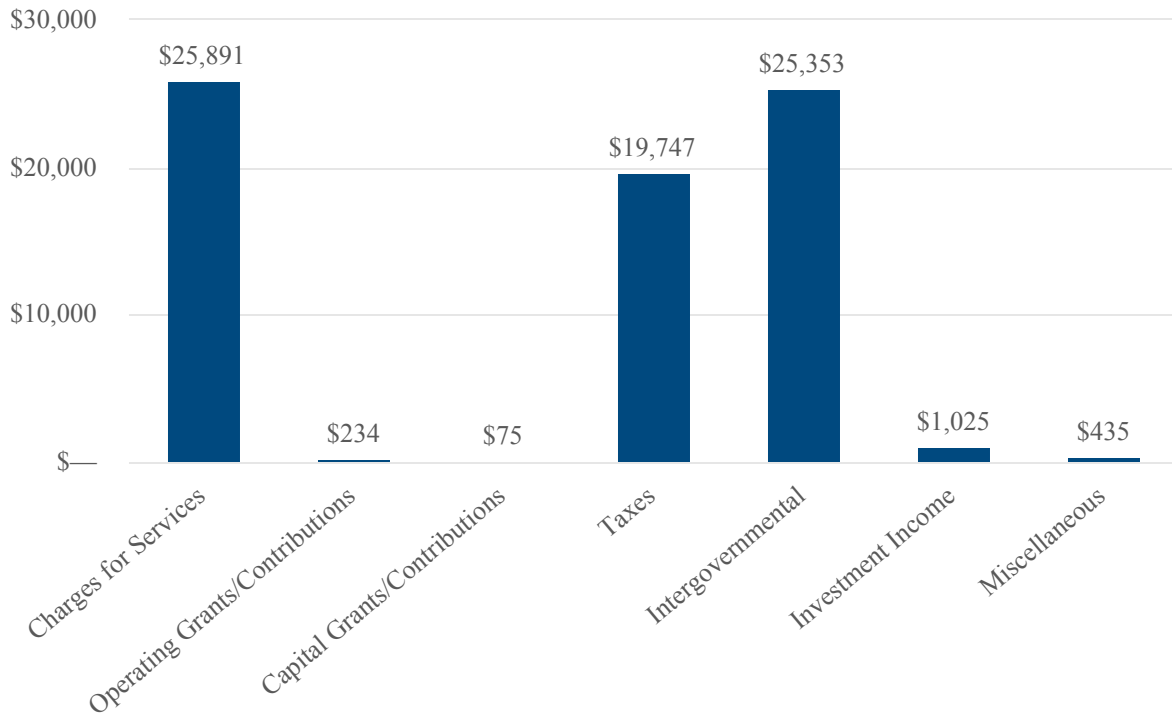
**Table 2**  
**Changes in Net Position**  
**(in thousands)\***

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	16,186	12,920	9,704	9,720	25,891	22,641
Operating Grants/Contributions	234	306	—	—	234	306
Capital Grants/Contributions	75	1,000	—	—	75	1,000
General Revenues:						
Taxes	19,747	18,785	—	—	19,747	18,785
Intergovernmental	25,353	29,789	—	—	25,353	29,789
Investment Income	813	(313)	212	64	1,025	(249)
Miscellaneous	435	156	—	7	435	163
<b>Total Revenues</b>	<b>62,844</b>	<b>62,643</b>	<b>9,916</b>	<b>9,792</b>	<b>72,760</b>	<b>72,435</b>
<b>EXPENSES</b>						
General Government	13,099	5,764	—	—	13,099	5,764
Public Safety	32,192	27,425	—	—	32,192	27,425
Highways and Streets	14,666	8,554	—	—	14,666	8,554
Interest on Long-Term Debt	67	120	—	—	67	120
Golf	—	—	26	21	26	21
Water and Sewer	—	—	8,326	8,902	8,326	8,902
<b>Total Expenses</b>	<b>60,024</b>	<b>41,862</b>	<b>8,351</b>	<b>8,923</b>	<b>68,375</b>	<b>50,785</b>
<b>Excess/Deficiency Before Transfers</b>	<b>2,820</b>	<b>20,781</b>	<b>1,565</b>	<b>868</b>	<b>4,385</b>	<b>21,649</b>
Transfers	(2,000)	(158)	2,000	158	—	—
<b>Change in Net Position</b>	<b>820</b>	<b>20,622</b>	<b>3,565</b>	<b>1,027</b>	<b>4,385</b>	<b>21,649</b>
<b>Net Position - Beginning</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>
<b>Net Position - Ending</b>	<b>88,470</b>	<b>87,650</b>	<b>69,550</b>	<b>65,985</b>	<b>158,020</b>	<b>153,636</b>

\*Variation in values may occur due to rounding

VILLAGE OF GURNEE, ILLINOIS  
 MANAGEMENT'S DISCUSSION & ANALYSIS  
 April 30, 2023

**Fiscal Year 2022/2023 Revenues**



VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
April 30, 2023

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For the fiscal year ended April 30, 2023 Government-Wide revenues were \$72.8 million. Charges for Service is the largest category representing 35.6% of revenues, followed by Intergovernmental Revenues at 34.8%, and Taxes at 27.1%.

Government-Wide Intergovernmental Revenues decreased \$4.4 million from the previous year. The largest type of Intergovernmental Revenues is sales taxes in the General Fund. In addition, Charges for Services increased \$3.3 million 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 \$12.9 million to \$16.2 million largely due to interfund charges for health insurance and fleet services.
- Business-Type charges for services are primarily Water and Sewer charges for service and decreased \$16 thousand.

Government-Wide Intergovernmental revenues decreased from \$29.8 million to \$25.4 million.

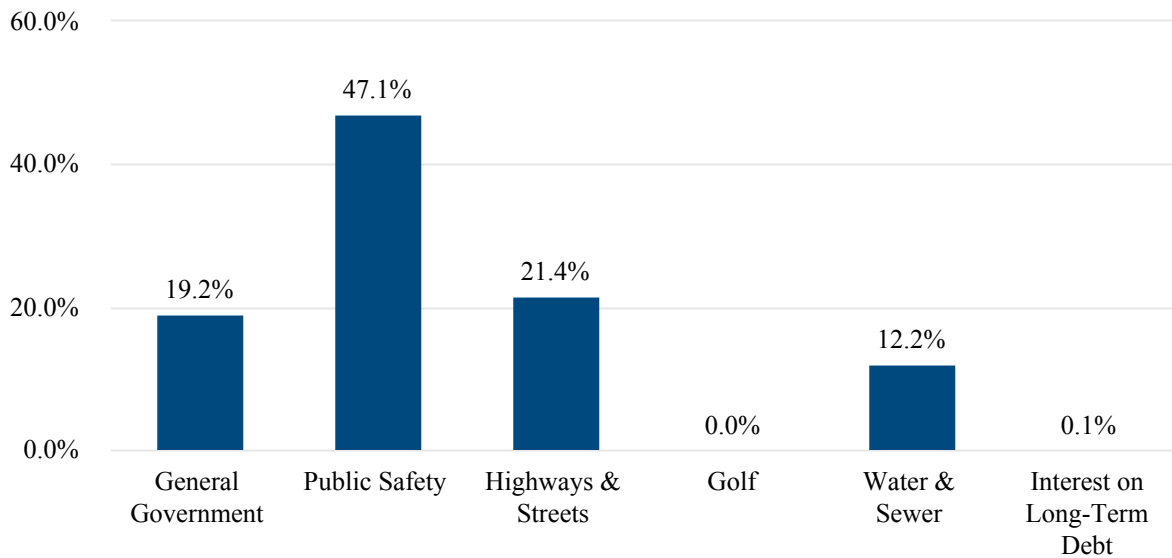
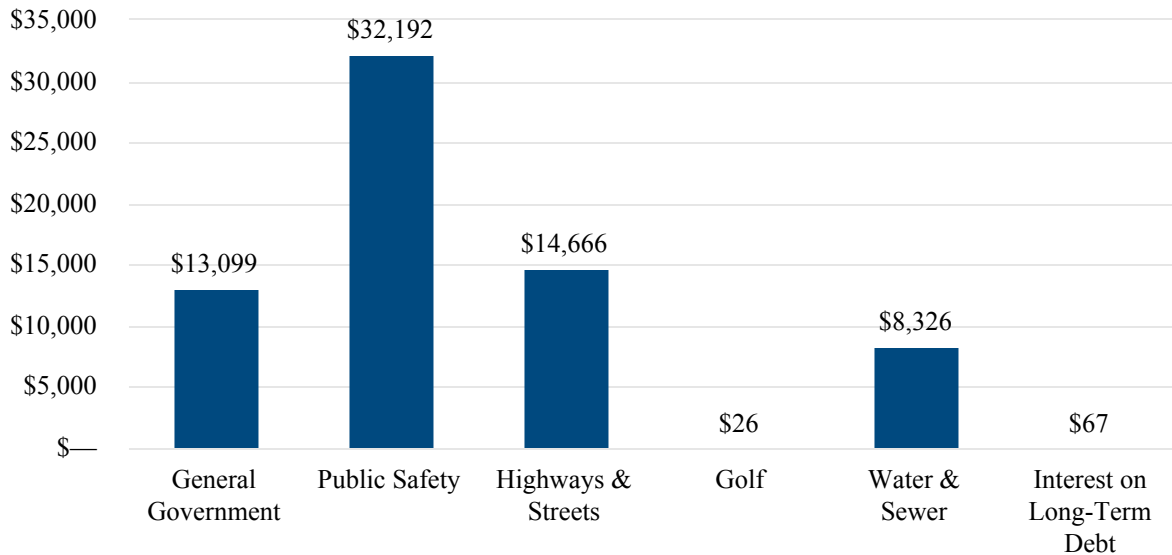
- The Village receives 2.0% of all sales purchases within its jurisdiction; this consists of 1% of the State sales tax rate and a 1% home rule sales tax (effective January 1, 2015). Village-wide sales taxes decreased slightly by \$79 thousand.
- Income taxes decreased \$0.19 million from \$4.92 million to \$4.73 million.
- The Village received \$4.1 million in ARPA grant funds associated with the CVOID-19 pandemic.
- Replacement Taxes increased \$96 thousand.

Government-Wide Taxes increased \$962 thousand from \$18.8 million to \$19.7 million.

- The amusement tax is 4% (effective May 1, 2018). Amusement taxes increased \$0.5 million from \$3.5 million to \$4.0 million.
- The hotel tax is 6% (effective May 1, 2018). Hotel taxes increased \$0.3 million from \$2.1 million to \$2.4 million.
- The food and beverage tax is 1%. Food and beverage taxes increased \$0.2 million from \$2.4 million to \$2.6 million.
- The Village imposes a 6% telecommunications tax. Telecommunication (excise) taxes decreased \$119.2 thousand from \$666.7 thousand to \$547.5 thousand. 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, 2023

**Fiscal Year 2022/2023 Expenses**



Total Government-Wide expenses increased \$17.6 million or 34.6%, from \$50.8 million to \$68.4 million.

Governmental Activities expenses increased \$18.2 million or 43.4%, from \$41.9 million to \$60.0 million.

General Government expenses increased \$7.3 million or 127.3% from \$5.8 million to \$13.1 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. The largest increases included interfund transfers to capital funds and the health insurance fund of \$4.5 million and \$6.0 million respectively.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS

April 30, 2023

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Public Safety expenses increased \$4.8 million, or 17.4%, 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 resulting in significant increases in overtime. The Village also paid off the Fire Station #3 promissory note of \$5.3 million.

Highways and Streets, including Public Works, Vehicle Maintenance and the Village's routine repair and maintenance projects, increased \$6.1 million or 71.5% from the prior year primarily due to resuming the road construction capital program.

Interest expenses decreased \$53 thousand or 44.4% from the previous fiscal year. The Village paid off the outstanding promissory note used to finance Fire Station #3.

Business-Type Activities expense decreased \$0.6 million from \$8.9 million to \$8.4 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. Golf Fund expenses consisted of \$26 thousand amortization of the leasehold.

Water and Sewer expenses decreased \$0.6 million from \$8.9 million to \$8.4 million. This is primarily due to decreased water usage resulting in lower payments to the Village's water supplier Central Lake County Joint Action Water Agency.

### **GOVERNMENTAL FUNDS**

The focus of the Village's governmental funds is to provide information about near-term inflows and outflows of resources as well as the balance of spendable resources. In particular, the unassigned fund balance for each Fund is a useful measure of the net resources available to the Fund at the end of the fiscal year. As of April 30, 2023, the Village's Governmental Funds had combined ending fund balances of \$43,429,749, a decrease of \$3,886,642 from the 2022 ending fund balances of \$47,316,391.

The General Fund had excess revenues over expenditures of \$3,299,862 in the current year, prior to transfers out of \$4,500,000, resulting in a net decrease to fund balance of \$1,200,138. The decrease was due to a decrease in intergovernmental revenues, particularly grants, offset by increases in taxes, charges for services and investment income for an overall decrease in revenues of \$1,337,496 from the prior year. Expenditures saw an increase of \$5,722,499 from the prior year related to increases in personnel related costs and capital project costs.

Fund balance decreased by \$481 thousand in the Motor Fuel Tax Fund due to additional unanticipated funding from various state programs.

Fund balance decreased by \$3.3 million in the Capital Improvement Fund due to transfers from the General Fund.

### **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.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
April 30, 2023

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.

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

	Budget	Actual	Variance from Budget	Percentage Difference
<b>REVENUES</b>				
Taxes	9,665	11,234	1,569	16.2%
Intergovernmental	29,703	30,290	587	2.0%
Charges for Service	8,310	5,858	(2,452)	(29.5%)
Licenses and Permits	1,185	1,095	(90)	(7.6%)
Fines and Forfeitures	1,458	1,095	(363)	(24.9%)
Investment Income	205	440	235	114.4%
Miscellaneous	55	336	281	511.5%
<b>Total Revenues</b>	<b>50,581</b>	<b>50,347</b>	<b>(234)</b>	<b>(0.5%)</b>
<b>EXPENDITURES</b>				
General Government	12,546	10,334	(2,212)	(17.6%)
Public Safety	32,392	31,670	(722)	(2.2%)
Highways and Streets	3,586	3,486	(100)	(2.8%)
Capital Outlay	1,557	1,557	—	—%
<b>Total Expenditures</b>	<b>50,081</b>	<b>47,047</b>	<b>(3,034)</b>	<b>(6.1%)</b>
<b>Net Change in Fund Balance</b>	<b>500</b>	<b>3,300</b>	<b>2,800</b>	<b>560.0%</b>

\*Variation in values may occur due to rounding

General fund revenues were under budget by \$0.2 million or 0.5%.



VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS

April 30, 2023

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Taxes were \$1.6 million or 16.2% ahead budget largely due to better than expected performance from Hotel, Food & Beverage, Amusement and Resort taxes which account for almost the entire increase.

Licenses and Permits were \$90 thousand, or 7.6%, behind largely because of the timing of a major development that was delayed resulting in lower than expected building permit fees.

Fines and Forfeitures were \$363 thousand, or 24.9%, behind budget. Fines and Forfeitures include red light camera violations, court fines, DUI fines, parking fines and false alarm fines. Significant negative variances include red light violations due to intersections being offline for maintenance and court fines.

Miscellaneous revenue was \$281 thousand, or 511.5%, ahead budget. The variance is almost entirely due a reimbursement from workers compensation claims and damage to village property.

Intergovernmental revenues were \$587 thousand, or 2.0%, over budget. Sales Taxes are the largest revenue source for the Village and posted a positive variance of \$1.6 million or 8.6%. Other positive variances in this category include Income Tax (+\$721 thousand) and Replacement Tax (+\$288 thousand). Negative variances include \$2.1 million in ARPA grant funding that was budgeted for but recognized in a prior period.

Investment income was over budget by \$235 thousand or 114.4% due to unrealized rising interest rates and unrealized gains on investments.

General Government expenditures were \$2,212 thousand, or 17.6%, under budget. The largest items contributing to the variance were; transfers out of surplus General Fund balances and greater than anticipated health insurance expenses.

Public Safety expenditures were \$722 thousand, or 2.2%, under budget. The largest items contributing to the positive variance were salaries and wages and employee benefits due to employee turnover.

Highways and Streets classified expenditures were \$100 thousand, or 2.8% under budget. The largest items contributing to the positive variance were; salaries and wages due to employee turnover, supplies due to lower than anticipated expenses for electricity and contractual services due to lower maintenance expenses.

The Village contributes to the Police and Firefighters' Pension funds from General fund revenues absent a property tax levy. Fiscal year 2022/2023 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, 2022). 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 7.25% to 7.00% over the last three 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 2022/2023 increased \$77 thousand, or 3.0%, from \$2.55 million to \$2.63 million.
- Firefighters' Pension: The lump sum employer contribution for fiscal year 2022/2023 increased \$91 thousand, or 4.3%, from \$2.11 million to \$2.20 million.
- IMRF: The Village employer rate decreased from the previous calendar year from 11.15% in 2022 to 9.22% in 2023.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS

April 30, 2023

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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, 2023, the total OPEB liability each was \$6.40 million.

The total OPEB liability as a percentage of covered-employee payroll was 34.66%. 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 \$6.40 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, 2023, the Village has provided a reconciliation in the basic financial statements section of this report. The most significant reconciling items include:

- \$75.4 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.
- \$12.0 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.
- \$44.6 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.

### **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.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
April 30, 2023

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

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2023	2022	2023	2022	2023	2022
Land	34,508	34,508	5,039	5,039	39,547	39,547
Construction in Progress	—	6,269	2,056	2,056	2,056	8,325
Building and Improvements	16,533	10,772	1,878	1,934	18,411	12,707
Vehicles	6,014	6,269	1,462	1,534	7,476	7,803
Equipment	1,707	1,717	744	413	2,451	2,129
Leasehold Improvements	—	—	186	207	186	207
Water Plants and Mains	—	—	31,491	29,964	31,491	29,964
Sewer Plants and Mains	—	—	13,104	13,405	13,104	13,405
Storm Sewers	—	—	9,509	9,730	9,509	9,730
Infrastructure	16,651	17,004	—	—	16,651	17,004
<b>Total Net Capital Assets</b>	<b>75,413</b>	<b>76,539</b>	<b>65,469</b>	<b>64,283</b>	<b>140,881</b>	<b>140,821</b>

\*Variation in values may occur due to rounding

The Village's total capital assets, net of accumulated depreciation, increased by \$0.1 million from last fiscal year to the current fiscal year. Governmental Activities capital assets increased by \$1.1 million or 1.5% and Business-Type Activities increased by \$1.2 million or 1.8%.

Additions in the Governmental Funds consisted primarily of Fire Station #3. Additions in the Business-Type Funds consisted of water main and vehicles.

#### DEBT ADMINISTRATION

The table below shows the Village's bonded debt:

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

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2023	2022	2023	2022	2023	2022
Promissory Notes	—	5,277	—	—	—	5,277
IEPA Loans	—	—	4,179	4,659	4,179	4,659
Installment Contracts	—	—	—	1	—	1
<b>Total Debt</b>	<b>—</b>	<b>5,277</b>	<b>4,179</b>	<b>4,659</b>	<b>4,179</b>	<b>9,937</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.

VILLAGE OF GURNEE, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
April 30, 2023

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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.

**ECONOMIC FACTORS**

The Village's 2022 Equalized Assessed Valuation (EAV) increased \$67,516,205 to \$1,279,563,765 from \$1,212,047,560. 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	\$1,278,271,095	\$1,292,670	\$1,279,563,765	\$6,288,965	\$0

The principal property taxpayers in Gurnee have remained stable for the past nine years. In both 2014 and 2023, the Mills Corporation (Gurnee Mills Mall) was the highest property taxpayer and Six Flags Great America was the second highest property taxpayer. The top ten principal property taxpayers 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 \$50,359 and the unemployment rate is 4.8%. This compares to last year's \$47,671 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 North O'Plaine Road, Gurnee, Illinois 60031-2636.

## **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, 2023**

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**See Following Page**

**VILLAGE OF GURNEE, ILLINOIS**

**Statement of Net Position**

**April 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 40,460,951	7,759,400	48,220,351
Receivables - Net of Allowances	9,955,844	3,057,146	13,012,990
Inventories	405,188	—	405,188
Total Current Assets	50,821,983	10,816,546	61,638,529
Noncurrent Assets			
Capital Assets			
Nondepreciable	34,507,882	7,094,466	41,602,348
Depreciable	80,669,836	88,474,262	169,144,098
Accumulated Depreciation	(39,765,070)	(30,099,997)	(69,865,067)
Total Noncurrent Assets	75,412,648	65,468,731	140,881,379
Total Assets	126,234,631	76,285,277	202,519,908
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	4,369,042	557,495	4,926,537
Deferred Items - Police Pension	7,973,836	—	7,973,836
Deferred Items - Firefighters' Pension	5,021,211	—	5,021,211
Deferred Items - RBP	1,240,537	62,715	1,303,252
Deferred Items - ARO	—	395,536	395,536
Total Deferred Outflows of Resources	18,604,626	1,015,746	19,620,372
Total Assets and Deferred Outflows of Resources	144,839,257	77,301,023	222,140,280

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

	Primary Government		
	Governmental	Business-Type	Totals
	Activities	Activities	
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 1,044,733	326,888	1,371,621
Accrued Payroll	657,843	35,768	693,611
Medical Claims Payable	121,038	2,183	123,221
Deposits Payable	75,877	—	75,877
Accrued Interest Payable	—	33,955	33,955
Other Payables	2,829,697	476,213	3,305,910
Current Portion of Long-Term Liabilities	234,767	243,061	477,828
Total Current Liabilities	4,963,955	1,118,068	6,082,023
Noncurrent Liabilities			
Compensated Absences Payable	939,068	36,941	976,009
Net Pension Liability - IMRF	5,543,583	707,368	6,250,951
Net Pension Liability - Police Pension	18,335,129	—	18,335,129
Net Pension Liability - Firefighters' Pension	13,421,223	—	13,421,223
Total OPEB Liability - RBP	6,091,341	307,946	6,399,287
IEPA Loans Payable	—	3,945,113	3,945,113
Asset Retirement Obligation	—	440,000	440,000
Total Noncurrent Liabilities	44,330,344	5,437,368	49,767,712
Total Liabilities	49,294,299	6,555,436	55,849,735
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	506,866	—	506,866
Deferred Items - Leases	—	1,131,589	1,131,589
Deferred Items - IMRF	183,241	23,382	206,623
Deferred Items - Police Pension	2,100,015	—	2,100,015
Deferred Items - Firefighters' Pension	3,490,102	—	3,490,102
Deferred Items - RBP	794,824	40,182	835,006
Total Deferred Inflows of Resources	7,075,048	1,195,153	8,270,201
Total Liabilities and Deferred Inflows of Resources	56,369,347	7,750,589	64,119,936
<b>NET POSITION</b>			
Net Investment in Capital Assets	75,412,648	61,289,792	136,702,440
Restricted - Motor Fuel Tax	1,560,656	—	1,560,656
Restricted - Public Safety	609,348	—	609,348
Unrestricted	10,887,258	8,260,642	19,147,900
Total Net Position	88,469,910	69,550,434	158,020,344

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, 2023**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 13,099,145	3,114,912	192,952	—
Public Safety	32,191,753	9,203,820	41,495	75,146
Highways and Streets	14,666,432	3,867,561	—	—
Interest on Long-Term Debt	66,720	—	—	—
<b>Total Governmental Activities</b>	<b>60,024,050</b>	<b>16,186,293</b>	<b>234,447</b>	<b>75,146</b>
<b>Business-Type Activities</b>				
Golf	25,642	—	—	—
Water and Sewer	8,325,750	9,704,218	—	—
<b>Total Business-Type Activities</b>	<b>8,351,392</b>	<b>9,704,218</b>	<b>—</b>	<b>—</b>
<b>Total Primary Government</b>	<b>68,375,442</b>	<b>25,890,511</b>	<b>234,447</b>	<b>75,146</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

Investment 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
(9,791,281)	—	(9,791,281)
(22,871,292)	—	(22,871,292)
(10,798,871)	—	(10,798,871)
(66,720)	—	(66,720)
(43,528,164)	—	(43,528,164)
—	(25,642)	(25,642)
—	1,378,468	1,378,468
—	1,352,826	1,352,826
(43,528,164)	1,352,826	(42,175,338)
3,999,289	—	3,999,289
2,386,732	—	2,386,732
2,610,471	—	2,610,471
537,328	—	537,328
3,008,198	—	3,008,198
1,698,844	—	1,698,844
5,506,341	—	5,506,341
20,198,774	—	20,198,774
4,725,391	—	4,725,391
428,625	—	428,625
813,051	212,198	1,025,249
434,891	—	434,891
(2,000,000)	2,000,000	—
44,347,935	2,212,198	46,560,133
819,771	3,565,024	4,384,795
87,650,139	65,985,410	153,635,549
88,469,910	69,550,434	158,020,344

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

VILLAGE OF GURNEE, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2023

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	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 29,290,985
Receivables - Net of Allowances	
Taxes	7,049,300
Accounts	—
Other	473,777
Due from Other Funds	52,451
Inventories	<u>230,325</u>
 Total Assets	 <u><u>37,096,838</u></u>
<b>LIABILITIES</b>	
Accounts Payable	901,080
Accrued Payroll	636,155
Due to Other Funds	—
Medical Claims Payable	121,038
Deposits Payable	75,877
Other Payables	<u>4,565,484</u>
Total Liabilities	6,299,634
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	<u>506,866</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>6,806,500</u></u>
<b>FUND BALANCES</b>	
Nonspendable	230,325
Restricted	—
Committed	—
Unassigned	<u>30,060,013</u>
Total Fund Balances	<u><u>30,290,338</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>37,096,838</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
1,340,666	7,905,054	1,924,246	40,460,951
219,990	695,755	—	7,965,045
—	1,150,104	366,918	1,517,022
—	—	—	473,777
—	—	—	52,451
—	—	174,863	405,188
1,560,656	9,750,913	2,466,027	50,874,434
—	113,010	30,643	1,044,733
—	—	21,688	657,843
—	—	52,451	52,451
—	—	—	121,038
—	—	—	75,877
—	420,393	—	4,985,877
—	533,403	104,782	6,937,819
—	—	—	506,866
—	533,403	104,782	7,444,685
—	—	174,863	405,188
1,560,656	—	609,348	2,170,004
—	9,217,510	1,577,034	10,794,544
—	—	—	30,060,013
1,560,656	9,217,510	2,361,245	43,429,749
1,560,656	9,750,913	2,466,027	50,874,434

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, 2023

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<b>Total Governmental Fund Balances</b>	\$ 43,429,749
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.	75,412,648
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	4,185,801
Deferred Items - Police Pension	5,873,821
Deferred Items - Firefighters' Pension	1,531,109
Deferred Items - RBP	445,713
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.	2,156,180
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,173,835)
Net Pension Liability - IMRF	(5,543,583)
Net Pension Liability - Police Pension	(18,335,129)
Net Pension Liability - Firefighters' Pension	(13,421,223)
Total OPEB Liability - RBP	<u>(6,091,341)</u>
<b>Net Position of Governmental Activities</b>	<u><u>88,469,910</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, 2023**

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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, 2023

	<u>General</u>
Revenues	
Taxes	\$ 11,233,733
Intergovernmental	30,289,800
Charges for Services	5,857,792
Licenses and Permits	1,095,187
Fines and Forfeitures	1,094,673
Investment Income	439,526
Miscellaneous	336,350
Total Revenues	<u>50,347,061</u>
Expenditures	
General Government	10,333,728
Public Safety	31,669,643
Highways and Streets	3,486,347
Capital Outlay	1,557,481
Debt Service	
Principal Retirement	—
Interest and Fiscal Charges	—
Total Expenditures	<u>47,047,199</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,299,862</u>
Other Financing Sources (Uses)	
Transfers In	—
Transfers Out	<u>(4,500,000)</u>
	<u>(4,500,000)</u>
Net Change in Fund Balances	(1,200,138)
Fund Balances - Beginning	<u>31,490,476</u>
Fund Balances - Ending	<u><u>30,290,338</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
—	5,506,341	—	16,740,074
1,698,844	19,146	56,000	32,063,790
—	—	4,679,059	10,536,851
—	—	—	1,095,187
—	—	147,949	1,242,622
95,910	273,546	4,069	813,051
—	89,441	9,100	434,891
1,794,754	5,888,474	4,896,177	62,926,466
—	—	—	10,333,728
—	—	24,760	31,694,403
2,275,523	—	1,773,237	7,535,107
—	6,478,352	1,857,301	9,893,134
—	5,277,482	—	5,277,482
—	79,254	—	79,254
2,275,523	11,835,088	3,655,298	64,813,108
(480,769)	(5,946,614)	1,240,879	(1,886,642)
—	2,650,000	—	2,650,000
—	—	(150,000)	(4,650,000)
—	2,650,000	(150,000)	(2,000,000)
(480,769)	(3,296,614)	1,090,879	(3,886,642)
2,041,425	12,514,124	1,270,366	47,316,391
1,560,656	9,217,510	2,361,245	43,429,749

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, 2023**

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**Net Change in Fund Balances - Total Governmental Funds** \$ (3,886,642)

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

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

Capital Outlays	1,130,990
Depreciation Expense	(2,257,064)
Disposals - Cost	(195,420)
Disposals - Accumulated Depreciation	195,420

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

Change in Deferred Items - IMRF	8,539,237
Change in Deferred Items - Police Pension	6,435,851
Change in Deferred Items - Firefighters' Pension	3,129,446
Change in Deferred Items - RBP	266,374

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.

(82,645)

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	(33,069)
Change in Net Pension Liability/(Asset) - IMRF	(8,898,747)
Change in Net Pension Liability - Police Pension	(5,365,137)
Change in Net Pension Liability - Firefighters' Pension	(2,896,785)
Change in Total OPEB Liability - RBP	(552,054)
Retirement of Debt	5,277,482

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.

12,534

**Changes in Net Position of Governmental Activities**

819,771

**VILLAGE OF GURNEE, ILLINOIS**

**Statement of Net Position - Proprietary Funds**

**April 30, 2023**

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**See Following Page**

VILLAGE OF GURNEE, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2023

	Business-Type Activities -		
	Enterprise Funds		
	Golf Course	Water and Sewer	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 370,748	7,388,652	7,759,400
Receivables - Net of Allowances			
Accounts	29,559	1,878,199	1,907,758
Leases	—	1,154,388	1,154,388
Other	(5,000)	—	(5,000)
Total Current Assets	<u>395,307</u>	<u>10,421,239</u>	<u>10,816,546</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	4,494,436	2,600,030	7,094,466
Depreciable	422,834	88,051,428	88,474,262
Accumulated Depreciation	(236,676)	(29,863,321)	(30,099,997)
Total Noncurrent Assets	<u>4,680,594</u>	<u>60,788,137</u>	<u>65,468,731</u>
Total Assets	<u>5,075,901</u>	<u>71,209,376</u>	<u>76,285,277</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	—	557,495	557,495
Deferred Items - RBP	—	62,715	62,715
Deferred Items - ARO	—	395,536	395,536
Total Deferred Outflows of Resources	<u>—</u>	<u>1,015,746</u>	<u>1,015,746</u>
Total Assets and Deferred Outflows of Resources	<u>5,075,901</u>	<u>72,225,122</u>	<u>77,301,023</u>

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	\$ 24,694	302,194	326,888
Accrued Payroll	—	35,768	35,768
Medical Claims Payable	—	2,183	2,183
Accrued Interest Payable	—	33,955	33,955
Other Payables	35,000	441,213	476,213
Current Portion of Long-Term Debt	—	243,061	243,061
Total Current Liabilities	<u>59,694</u>	<u>1,058,374</u>	<u>1,118,068</u>
Noncurrent Liabilities			
Compensated Absences Payable	—	36,941	36,941
Net Pension Liability - IMRF	—	707,368	707,368
Total OPEB Liability - RBP	—	307,946	307,946
IEPA Loan Payable	—	3,945,113	3,945,113
Asset Retirement Obligation	—	440,000	440,000
Total Noncurrent Liabilities	<u>—</u>	<u>5,437,368</u>	<u>5,437,368</u>
Total Liabilities	<u>59,694</u>	<u>6,495,742</u>	<u>6,555,436</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - Leases	—	1,131,589	1,131,589
Deferred Items - IMRF	—	23,382	23,382
Deferred Items - RBP	—	40,182	40,182
Total Deferred Inflows of Resources	<u>—</u>	<u>1,195,153</u>	<u>1,195,153</u>
Total Liabilities and Deferred Inflows of Resources	<u>59,694</u>	<u>7,690,895</u>	<u>7,750,589</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,680,594	56,609,198	61,289,792
Unrestricted	335,613	7,925,029	8,260,642
Total Net Position	<u>5,016,207</u>	<u>64,534,227</u>	<u>69,550,434</u>

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, 2023

	Business-Type Activities - Enterprise Funds		
	Golf Course	Water and Sewer	Totals
Operating Revenues			
Charges for Services	\$ —	9,704,218	9,704,218
Operating Expenses			
Operations	4,500	6,561,161	6,565,661
Depreciation and Amortization	21,142	1,681,683	1,702,825
Total Operating Expenses	25,642	8,242,844	8,268,486
Operating Income (Loss)	(25,642)	1,461,374	1,435,732
Nonoperating Revenues (Expenses)			
Investment Income	66,597	145,601	212,198
Interest Expense	—	(82,906)	(82,906)
	66,597	62,695	129,292
Income Before Transfers	40,955	1,524,069	1,565,024
Transfers In	—	2,000,000	2,000,000
Change in Net Position	40,955	3,524,069	3,565,024
Net Position - Beginning	4,975,252	61,010,158	65,985,410
Net Position - Ending	5,016,207	64,534,227	69,550,434

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, 2023

	Business-Type Activities - Enterprise Funds		
	Golf Course	Water and Sewer	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ (27,522)	8,210,732	8,183,210
Payments to Employees	—	(1,081,889)	(1,081,889)
Payments to Suppliers	20,194	(4,306,673)	(4,286,479)
	<u>(7,328)</u>	<u>2,822,170</u>	<u>2,814,842</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	—	2,000,000	2,000,000
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	—	(2,866,730)	(2,866,730)
Principal on Capital Related Debt	(870)	(479,583)	(480,453)
Interest on Capital Related Debt	—	(82,906)	(82,906)
	<u>(870)</u>	<u>(3,429,219)</u>	<u>(3,430,089)</u>
Cash Flows from Investing Activities			
Interest Received	66,597	145,601	212,198
Net Change in Cash and Cash Equivalents	58,399	1,538,552	1,596,951
Cash and Cash Equivalents - Beginning	312,349	5,850,100	6,162,449
Cash and Cash Equivalents - Ending	<u>370,748</u>	<u>7,388,652</u>	<u>7,759,400</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(25,642)	1,461,374	1,435,732
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in)			
Operating Activities:			
Depreciation and Amortization	21,142	1,681,683	1,702,825
(Increase) Decrease in Current Assets	(27,522)	(1,493,486)	(1,521,008)
Increase (Decrease) in Current Liabilities	24,694	1,172,599	1,197,293
Net Cash Provided by Operating Activities	<u>(7,328)</u>	<u>2,822,170</u>	<u>2,814,842</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, 2023

	Pension Trust	Custodial NE Lake County Consolidated ETSB
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,778,401	2,266,585
Investments		
Illinois Police Officers Pension Investment Fund	67,791,350	—
Illinois Firefighters' Pension Consolidated Investment Fund	52,172,907	—
Receivables - Net of Allowances		
Accounts	—	74,930
Prepays	5,205	—
Total Assets	<u>122,747,863</u>	<u>2,341,515</u>
<b>LIABILITIES</b>		
Accounts Payable	<u>2,620</u>	<u>58,372</u>
<b>NET POSITION</b>		
Restricted for		
Pensions	122,745,243	—
Individuals, Organizations, and Other Governments	—	2,283,143
	<u>122,745,243</u>	<u>2,283,143</u>

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, 2023

	Pension Trust	Custodial NE Lake County Consolidated ETSB
<b>Additions</b>		
Contributions - Employer	\$ 4,832,477	—
Contributions - Plan Members	1,716,018	—
Contributions - Other	—	—
Total Contributions	<u>6,548,495</u>	<u>—</u>
<b>Investment Earnings</b>		
Interest Earned	1,047,609	69,504
Net Change in Fair Value	(1,281,771)	—
	<u>(234,162)</u>	<u>69,504</u>
Less Investment Expenses	(141,192)	—
Net Investment Income	<u>(375,354)</u>	<u>69,504</u>
Charges for Services	—	1,009,345
Total Additions	<u>6,173,141</u>	<u>1,078,849</u>
<b>Deductions</b>		
Administration	6,205,139	—
Benefits and Refunds	145,696	—
Professional Services	—	904,841
Total Deductions	<u>6,350,835</u>	<u>904,841</u>
Change in Fiduciary Net Position	(177,694)	174,008
<b>Net Position Restricted for Pensions, Individuals, Organizations, and Other Governments</b>		
Beginning	<u>122,922,937</u>	<u>2,109,135</u>
Ending	<u><u>122,745,243</u></u>	<u><u>2,283,143</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, 2023

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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, 2023

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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, investment income, etc.).

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2023

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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, 2023

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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, 2023

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

#### BASIS OF PRESENTATION - Continued

##### Fund Financial Statements - Continued

##### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or 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, 2023

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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, 2023

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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 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 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, 2023

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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	3 - 15 Years
Equipment	5 - 30 Years
Infrastructure	50 Years
Leasehold Interest	20 - 50 Years
Water Plant and Mains	30 - 75 Years
Sewer Plant and Mains	30 - 75 Years
Storm Sewers	75 Years



# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2023

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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.

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.

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2023

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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

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, 2023

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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.

**Village**

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$30,392,236 the bank balances totaled \$33,490,668.

*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	\$ 590,134	147,586	442,548	—	—
U.S. Agency Obligations	3,713,048	295,987	3,417,061	—	—
State and Local Obligations	2,890,777	421,313	2,469,464	—	—
Corporate Bonds	1,663,222	—	1,565,650	—	—
Illinois Funds	8,970,934	8,970,934	—	—	—
Totals	17,828,115	9,835,820	7,894,723	—	—

**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2023**

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

**DEPOSITS AND INVESTMENTS - Continued**

**Village - Continued**

*Investments - Continued.* The Village has the following recurring fair value measurements as of April 30, 2023:

	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)
Investments by Fair Value Level				
Debt Securities				
U.S. Treasury Obligations	\$ 590,134	590,134	—	—
U.S. Agency Obligations	3,713,048	—	3,713,048	—
State and Local Obligations	2,890,777	—	2,890,777	—
Corporate Bonds	1,663,222	—	1,663,222	—
Total Investments by Fair Value Level	7,193,959	590,134	8,267,047	—
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	8,970,934			
Total Investments Measured at Fair Value	17,828,115			

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.

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2023

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

#### DEPOSITS AND INVESTMENTS - Continued

##### Village - Continued

*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 U.S. Agency Obligations are rated AA+ by Standard & Poor's, State and Local Obligations are rated A+ to AA- by Standard & Poor's, the Corporate Bonds are not rated, and the Illinois Funds are rated AAA by Fitch.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires 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 in 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).

##### Police Pension Fund

The Illinois Police Officers Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report, which can be obtained from IFPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at [www.ipopif.org](http://www.ipopif.org). The Fund transferred all eligible assets to the Investment Fund on June 24, 2022.

*Deposits.* The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$2,515,671 and the bank balances totaled \$2,515,671.

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2023

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

#### DEPOSITS AND INVESTMENTS - Continued

##### Police Pension Fund - Continued

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

*Investments.* At year-end the Fund has \$67,791,350 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at [www.ipopif.org](http://www.ipopif.org).

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

##### Rate of Return

For the year ended April 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (12.67%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

##### Firefighters' Pension Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual 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 \$262,730 and the bank balances totaled \$262,730.

*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 year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Continued

Investments. At year-end the Fund has \$52,172,907 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).

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, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.68%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for the 2022 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 2022 tax levy year; however, the Village did receive Road and Bridge taxes in the amounts of \$421,345.

INTERFUND BALANCES

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 52,451
General Account - General	Health Insurance Account - General	<u>25,000</u>
		<u><u>77,451</u></u>

**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2023**

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

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Capital Improvement	General	\$ 2,500,000 (1)
Capital Improvement	Nonmajor Governmental	150,000 (1)
Water and Sewer	General	<u>2,000,000 (2)</u>
		<u><u>4,650,000</u></u>

Transfers are used to (1) move unrestricted revenues from the fund that statute or budget requires to collect them to the capital improvement fund for current and future capital projects and (2) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

**LEASES RECEIVABLE**

The Village is a lessor on the following lease at year end:

Lease	Term	Start Date	Payments	Interest Rate
Vogue Cell Tower	214	May 1, 2022	\$2,952 per month, including interest	3.00%
Vogue Cell Tower	3 years	May 1, 2022	\$21,000 per year, including interest	3.81%
AT&T Cell Tower	9 years	May 1, 2022	\$21,000 per year, including interest	4.00%
T-Mobile Cell	8 years	May 1, 2022	\$21,000 per year, including interest	4.00%
T-Mobile Cell	8 years	May 1, 2022	\$21,000 per year, including interest	4.00%
T-Mobile Cell	15 years	May 1, 2022	\$24,000 per year, including interest	4.00%

During the fiscal year, the Village has recognized \$98,589 of lease revenue.

The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Principal	Interest
2024	\$ 102,296	41,128
2025	106,144	37,280
2026	89,137	33,287
2027	92,482	29,942
2028	95,955	26,469
2029 - 2033	362,705	81,418
2034 - 2038	242,632	30,488
2039 - End	<u>63,037</u>	<u>1,827</u>
	<u><u>1,154,388</u></u>	<u><u>281,839</u></u>



VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 34,507,882	—	—	34,507,882
Construction in Progress	6,269,151	—	6,269,151	—
	<u>40,777,033</u>	<u>—</u>	<u>6,269,151</u>	<u>34,507,882</u>
Depreciable Capital Assets				
Building and Improvements	18,731,149	6,269,151	—	25,000,300
Vehicles	13,311,346	500,047	165,996	13,645,397
Equipment	7,259,350	298,307	29,424	7,528,233
Infrastructure	34,163,270	332,636	—	34,495,906
	<u>73,465,115</u>	<u>7,400,141</u>	<u>195,420</u>	<u>80,669,836</u>
Less Accumulated Depreciation				
Building and Improvements	7,958,896	508,605	—	8,467,501
Vehicles	7,042,615	754,625	165,996	7,631,244
Equipment	5,542,825	308,035	29,424	5,821,436
Infrastructure	17,159,090	685,799	—	17,844,889
	<u>37,703,426</u>	<u>2,257,064</u>	<u>195,420</u>	<u>39,765,070</u>
Total Net Depreciable Capital Assets	<u>35,761,689</u>	<u>5,143,077</u>	<u>—</u>	<u>40,904,766</u>
Total Net Capital Assets	<u>76,538,722</u>	<u>5,143,077</u>	<u>6,269,151</u>	<u>75,412,648</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 155,070
Public Safety	1,039,958
Highways and Streets	<u>1,062,036</u>
	<u>2,257,064</u>

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the 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	2,055,776	—	—	2,055,776
	<u>7,094,466</u>	<u>—</u>	<u>—</u>	<u>7,094,466</u>
<b>Depreciable Capital Assets</b>				
Building and Improvements	2,819,139	—	—	2,819,139
Vehicles	2,594,135	121,136	27,500	2,687,771
Equipment	1,670,277	397,304	—	2,067,581
Leasehold Interests	422,834	—	—	422,834
Water Plants and Mains	42,947,263	2,348,290	3,931,347	41,364,206
Sewer Plants and Mains	22,575,042	—	—	22,575,042
Storm Sewers	16,537,689	—	—	16,537,689
	<u>89,566,379</u>	<u>2,866,730</u>	<u>3,958,847</u>	<u>88,474,262</u>
<b>Less Accumulated Depreciation</b>				
Building and Improvements	884,691	56,666	—	941,357
Vehicles	1,059,963	193,437	27,500	1,225,900
Equipment	1,257,377	66,175	—	1,323,552
Leasehold Interests	215,534	21,142	—	236,676
Water Plants and Mains	12,982,832	821,669	3,931,347	9,873,154
Sewer Plants and Mains	9,169,743	301,001	—	9,470,744
Storm Sewers	6,808,111	220,503	—	7,028,614
	<u>32,378,251</u>	<u>1,680,593</u>	<u>3,958,847</u>	<u>30,099,997</u>
Total Net Depreciable Capital Assets	<u>57,188,128</u>	<u>1,186,137</u>	<u>—</u>	<u>58,374,265</u>
Total Net Capital Assets	<u>64,282,594</u>	<u>1,186,137</u>	<u>—</u>	<u>65,468,731</u>

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

Golf Course	\$ 21,142
Water and Sewer	<u>1,659,451</u>
	<u>1,680,593</u>

**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2023**

**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	\$ 4,658,522	—	479,583	4,178,939

**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	\$ 870	—	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	Retirements	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	\$ 5,277,482	—	5,277,482	—

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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	\$ 1,140,766	66,138	33,069	1,173,835	234,767
Net Pension Liability/(Asset) - IMRF	(3,355,164)	8,898,747	—	5,543,583	—
Net Pension Liability - Police Pension	12,969,992	5,365,137	—	18,335,129	—
Net Pension Liability - Firefighters' Pension	10,524,438	2,896,785	—	13,421,223	—
Total OPEB Liability - RBP	5,539,287	552,054	—	6,091,341	—
Promissory Notes	5,277,482	—	5,277,482	—	—
	<u>32,096,801</u>	<u>17,778,861</u>	<u>5,310,551</u>	<u>44,565,111</u>	<u>234,767</u>
<b>Business-Type Activities</b>					
Compensated Absences	46,692	516	1,032	46,176	9,235
Net Pension Liability/(Asset) - IMRF	(438,040)	1,145,408	—	707,368	—
Total OPEB Liability - RBP	438,636	—	130,690	307,946	—
IEPA Loans Payable	4,658,522	—	479,583	4,178,939	233,826
Installment Contracts Payable	870	—	870	—	—
Asset Retirement Obligation	440,000	—	—	440,000	—
	<u>5,146,680</u>	<u>1,145,924</u>	<u>612,175</u>	<u>5,680,429</u>	<u>243,061</u>

For governmental activities, the compensated absences, the net pension liabilities/(asset), 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/(asset), 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, 2023

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

#### LONG-TERM DEBT - Continued

##### Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. “The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.” To date the Illinois General Assembly has set no limits for home rule municipalities. The 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, 2023, the Village paid \$1,509,385 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 22 years.

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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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, 2023:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	75,412,648
Less Capital Related Debt:		
None		<u>—</u>
Net Investment in Capital Assets		<u>75,412,648</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		65,468,731
Less Capital Related Debt:		
IEPA Loan #L17-5394 of 2019		<u>4,178,939</u>
Net Investment in Capital Assets		<u>61,289,792</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, 2023

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	\$ 230,325	—	—	174,863	405,188
Restricted					
Motor Fuel Tax	—	1,560,656	—	—	1,560,656
Public Safety	—	—	—	609,348	609,348
	—	1,560,656	—	609,348	2,170,004
Committed					
Capital Improvement	—	—	9,217,510	1,300,106	10,517,616
Impact Fees	—	—	—	276,928	276,928
	—	—	9,217,510	1,577,034	10,794,544
Unassigned	30,060,013	—	—	—	30,060,013
Total Fund Balances	30,290,338	1,560,656	9,217,510	2,361,245	43,429,749

# VILLAGE OF GURNEE, ILLINOIS

## Notes to the Financial Statements

April 30, 2023

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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, 2023 were \$2,141,082.

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	
	4/30/23	4/30/22
Claims Payable - Beginning	\$ 136,728	133,094
Incurred Claims	4,847,012	4,389,117
Claims Paid	(4,860,519)	(4,385,483)
Claims Payable - Ending	<u>123,221</u>	<u>136,728</u>



**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2023**

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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.

**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
2024	\$ 2,254,980
2025	2,355,890
2026	2,461,316
2027	2,571,460
2028	2,686,533
2029 - 2033	15,348,490
2034 - 2038	<u>17,793,107</u>
	<u><u>45,471,776</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, 2023

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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 amounts recognized for the pension plans are:

	Net Pension Liabilities	Deferred Outflows	Deferred Inflows	Pension Expense
IMRF	\$ 6,250,951	4,926,537	206,623	1,263,255
Police Pension	18,335,129	7,973,836	2,100,015	1,560,028
Firefighters' Pension	13,421,223	5,021,211	3,490,102	1,969,074
	<u>38,007,303</u>	<u>17,921,584</u>	<u>5,796,740</u>	<u>4,792,357</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, 2023

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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, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	87
Inactive Plan Members Entitled to but not yet Receiving Benefits	40
Active Plan Members	<u>106</u>
Total	<u><u>233</u></u>

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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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, 2023, the Village's contribution was 9.22% of covered payroll.

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

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

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

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

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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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	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the 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, 2023**

**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 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 13,339,171	6,250,951	833,597

**Changes in the Net Pension Liability/(Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2021	\$ 52,330,369	56,123,573	(3,793,204)
Changes for the year:			
Service Cost	810,579	—	810,579
Interest	3,744,267	—	3,744,267
Difference Between Expected and Actual Experience of the Total Pension Liability	(7,324)	—	(7,324)
Changes of Assumptions	—	—	—
Contributions - Employer	—	897,833	(897,833)
Contributions - Employees	—	412,583	(412,583)
Net Investment Income	—	(6,703,321)	6,703,321
Benefit Payments, including Refunds of Employee Contributions	(2,181,197)	(2,181,197)	—
Other (Net Transfer)	—	(103,728)	103,728
Net Changes	2,366,325	(7,677,830)	10,044,155
Balances at December 31, 2022	54,696,694	48,445,743	6,250,951

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended April 30, 2023, the Village recognized pension expense of \$1,263,255. At April 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 565,926	(7,266)	558,660
Change in Assumptions	217,779	(199,357)	18,422
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	3,878,096	—	3,878,096
Total Pension Expense to be Recognized in Future Periods	4,661,801	(206,623)	4,455,178
Contributions Sub to Measurement Date	264,736	—	264,736
Total Deferred Amounts Related to IMRF	4,926,537	(206,623)	4,719,914

\$264,736 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, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ 150,580
2025	748,918
2026	1,358,142
2027	2,197,882
2028	(344)
Thereafter	—
Totals	4,455,178

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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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, 2023, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	47
Inactive Plan Members Entitled to but not yet Receiving Benefits	18
Active Plan Members	<u>60</u>
Total	<u><u>125</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 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 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, 2023

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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 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 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 ½ 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, 2023, the Village's contribution was 38.67% 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, 2023**

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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, 2023, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	4.00% - 7.25%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates were based on the PubS-2010(A) employee mortality, improved fully generationally using Scale MP-2019 improvement rates.

**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, 2023

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	\$ 31,809,048	18,335,129	7,409,220

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2022	\$ 84,381,008	71,411,016	12,969,992
Changes for the Year:			
Service Cost	1,525,821	—	1,525,821
Interest on the Total Pension Liability	5,822,620	—	5,822,620
Changes of Benefit Terms	(59,666)	—	(59,666)
Difference Between Expected and Actual			
Experience of the Total Pension Liability	889,410	—	889,410
Changes of Assumptions	—	—	—
Contributions - Employer	—	2,630,742	(2,630,742)
Contributions - Employees	—	1,080,738	(1,080,738)
Contributions - Buy Backs	—	—	—
Net Investment Income	—	(807,422)	807,422
Benefit Payments, Including Refunds of Employee Contributions	(3,914,768)	(3,914,768)	—
Administrative Expense	—	(91,010)	91,010
Net Changes	4,263,417	(1,101,720)	5,365,137
Balances at April 30, 2023	88,644,425	70,309,296	18,335,129

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

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

For the year ended April 30, 2023, the Village recognized pension expense of \$1,560,028. At April 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,660,508	(2,017,983)	(357,475)
Change in Assumptions	689,922	(82,032)	607,890
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>5,623,406</u>	—	<u>5,623,406</u>
Total Deferred Amounts Related to Police Pension	<u>7,973,836</u>	<u>(2,100,015)</u>	<u>5,873,821</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 of Resources
2024	\$ 645,413
2025	511,337
2026	3,557,267
2027	1,118,426
2028	5,804
Thereafter	<u>35,574</u>
Total	<u>5,873,821</u>

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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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, 2023, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	29
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>56</u>
Total	<u>89</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, 2023

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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, 2023, the Village's contribution was 33.08% 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, 2023**

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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, 2023, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	4.00% - 7.25%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates were based on the PubS-2010(A) employee mortality, improved fully generationally using Scale MP-2019 improvement rates.

**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, 2023

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	\$ 23,301,300	13,421,223	5,349,101

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2022	\$ 62,036,359	51,511,921	10,524,438
Changes for the Year:			
Service Cost	1,585,555	—	1,585,555
Interest on the Total Pension Liability	4,285,926	—	4,285,926
Changes of Benefit Terms	(109,672)	—	(109,672)
Difference Between Expected and Actual Experience of the Total Pension Liability	349,373	—	349,373
Changes of Assumptions	—	—	—
Contributions - Employer	—	2,201,735	(2,201,735)
Contributions - Employees	—	635,280	(635,280)
Contributions - Buy Backs	—	—	—
Net Investment Income	—	432,068	(432,068)
Benefit Payments, Including Refunds of Employee Contributions	(2,290,371)	(2,290,371)	—
Administrative Expenses	—	(54,686)	54,686
Net Changes	3,820,811	924,026	2,896,785
Balances at April 30, 2023	65,857,170	52,435,947	13,421,223



VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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, 2023, the Village recognized pension expense of \$1,969,074. At April 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 630,587	(3,443,809)	(2,813,222)
Change in Assumptions	634,745	(46,293)	588,452
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,755,879	—	3,755,879
Total Deferred Amounts Related to Firefighters' Pension	<u>5,021,211</u>	<u>(3,490,102)</u>	<u>1,531,109</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
2024	\$ 402,705
2025	(28,042)
2026	1,585,591
2027	247,161
2028	(233,378)
Thereafter	<u>(442,928)</u>
Total	<u>1,531,109</u>

VILLAGE OF GURNEE, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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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, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	34
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>175</u>
Total	<u><u>209</u></u>

Total OPEB Liability

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

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

Inflation	2.50%
Salary Increases	Varies by Service
Discount Rate	4.14%
Healthcare Cost Trend Rates	Initial rate of 7.00%, decreasing per year to an ultimate rate of 4.00% 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 the S&P Municipal Bond 20-Year High Grade Rate Index as of April 30, 2023.

Mortality was based on PubG-2010 amount-weighted, below-medium income with Scale MP-2021 for IMRF participants and PubS-2010 employee mortality projected five years past the valuation date with Scale MP-2021 for Police and Fire participants.

**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Change in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at April 30, 2022	\$ 5,977,923
Changes for the Year:	
Service Cost	138,601
Interest on the Total OPEB Liability	237,142
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	350,779
Changes of Assumptions or Other Inputs	14,268
Benefit Payments	<u>(319,426)</u>
Net Changes	<u>421,364</u>
Balance at April 30, 2023	<u><u>6,399,287</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 4.14%, while last year's used 3.98%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (3.14%)	Current Discount Rate (4.14%)	1% Increase (5.14%)
	<hr/>		
Total OPEB Liability	\$ 6,955,729	6,399,287	5,901,907

**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

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

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

		Healthcare Cost Trend	
	1% Decrease (Varies)	Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 5,863,083	6,399,287	7,008,944

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

For the year ended April 30, 2023, the Village recognized OPEB expense of \$466,084. At April 30, 2023, 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	\$ 548,002	—	548,002
Change in Assumptions	755,250	(835,006)	(79,756)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	<u>1,303,252</u>	<u>(835,006)</u>	<u>468,246</u>

**VILLAGE OF GURNEE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2023**

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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 of Resources
2024	\$ 90,341
2025	90,341
2026	90,341
2027	90,343
2028	67,968
Thereafter	<u>38,912</u>
Total	<u><u>468,246</u></u>

## **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, 2023**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
4/30/23	860,821	860,821	—	9,337,085	9.22%

Notes to the Required Supplementary Information:

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

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

**VILLAGE OF GURNEE, ILLINOIS**

**Police Pension Fund  
Schedule of Employer Contributions  
April 30, 2023**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered 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%
4/30/23	2,024,393	2,630,742	606,349	6,802,179	38.67%

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	2.25%
Salary Increases	4.00% - 7.25%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Pub-2010 adjusted for plan status, demographics, and Illinois public pension data, as described

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, 2023**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
4/30/23	1,951,275	2,201,735	250,460	6,655,644	33.08%

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	2.25%
Salary Increases	4.00% - 7.25%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Pub-2010 adjusted for plan status, demographics, and Illinois public pension data, as described

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, 2023**

	12/31/15	12/31/16
Total Pension Liability		
Service Cost	\$ 832,752	787,612
Interest	2,632,234	2,739,306
Differences Between Expected and Actual Experience	(903,147)	304,710
Change of Assumptions	50,339	(105,890)
Benefit Payments, Including Refunds of Member Contributions	(1,002,208)	(1,220,173)
Net Change in Total Pension Liability	1,609,970	2,505,565
Total Pension Liability - Beginning	35,228,043	36,838,013
Total Pension Liability - Ending	36,838,013	39,343,578
Plan Fiduciary Net Position		
Contributions - Employer	\$ 876,079	926,009
Contributions - Members	327,927	336,868
Net Investment Income	155,155	2,098,293
Benefit Payments, Including Refunds of Member Contributions	(1,002,208)	(1,220,173)
Other (Net Transfer)	(649,758)	340,924
Net Change in Plan Fiduciary Net Position	(292,805)	2,481,921
Plan Net Position - Beginning	30,930,089	30,637,284
Plan Net Position - Ending	30,637,284	33,119,205
Employer's Net Pension Liability/(Asset)	\$ 6,200,729	6,224,373
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.17%	84.18%
Covered Payroll	\$ 7,275,459	7,485,933
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	85.23%	83.15%

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

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

12/31/17	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22
812,408	805,299	839,031	861,325	766,354	810,579
2,933,360	3,068,929	3,220,813	3,390,375	3,521,490	3,744,267
877,101	(7,480)	22,307	(402)	898,053	(7,324)
(1,227,067)	1,411,884	—	(439,381)	—	—
(1,276,639)	(1,892,684)	(1,686,386)	(1,822,659)	(2,089,240)	(2,181,197)
2,119,163	3,385,948	2,395,765	1,989,258	3,096,657	2,366,325
39,343,578	41,462,741	44,848,689	47,244,454	49,233,712	52,330,369
41,462,741	44,848,689	47,244,454	49,233,712	52,330,369	54,696,694
948,117	984,774	886,271	993,472	990,567	897,833
357,330	375,549	378,749	414,236	385,268	412,583
5,543,253	(1,811,225)	6,721,888	5,962,516	8,097,135	(6,703,321)
(1,276,639)	(1,892,684)	(1,686,386)	(1,822,659)	(2,089,240)	(2,181,197)
(365,743)	593,226	67,114	272,030	(22,551)	(103,728)
5,206,318	(1,750,360)	6,367,636	5,819,595	7,361,179	(7,677,830)
33,119,205	38,325,523	36,575,163	42,942,799	48,762,394	56,123,573
38,325,523	36,575,163	42,942,799	48,762,394	56,123,573	48,445,743
3,137,218	8,273,526	4,301,655	471,318	(3,793,204)	6,250,951
92.43%	81.55%	90.89%	99.04%	107.25%	88.57%
7,940,679	8,345,542	8,416,635	8,328,889	8,561,513	9,161,560
39.51%	99.14%	51.11%	5.66%	(44.31%)	68.23%

VILLAGE OF GURNEE, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2023

	4/30/16	4/30/17
Total Pension Liability		
Service Cost	\$ 1,220,720	1,312,264
Interest	4,063,650	4,313,018
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	1,549,091	(738,623)
Change of Assumptions	(1,208,583)	(686,517)
Contributions - Buy Back	—	—
Benefit Payments, Including Refunds of Member Contributions	(1,972,701)	(2,152,303)
Administrative Expenses	—	—
Net Change in Total Pension Liability	3,652,177	2,047,839
Total Pension Liability - Beginning	59,038,499	62,690,676
Total Pension Liability - Ending	62,690,676	64,738,515
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,590,485	1,945,216
Contributions - Members	611,781	774,770
Contributions - Buy Backs	—	—
Net Investment Income	279,678	2,709,646
Benefit Payments, Including Refunds of Member Contributions	(1,972,701)	(2,152,303)
Administrative Expenses	(77,550)	(46,677)
Net Change in Plan Fiduciary Net Position	431,693	3,230,652
Plan Net Position - Beginning	39,412,860	39,844,553
Plan Net Position - Ending	39,844,553	43,075,205
Employer's Net Pension Liability	\$ 22,846,123	21,663,310
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.56%	66.54%
Covered Payroll	\$ 5,700,543	5,519,742
Employer's Net Pension Liability as a Percentage of Covered Payroll	400.77%	392.47%

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

*Changes of Assumptions.* Changes of assumptions related to the mortality improvement scale were made in 2019 through 2022.

4/30/18	4/30/19	4/30/20	4/30/21	4/30/22	4/30/23
1,404,122	1,502,260	1,407,925	1,909,946	1,639,918	1,525,821
4,450,693	4,790,937	5,060,273	5,324,207	5,498,341	5,822,621
—	—	—	—	—	(59,666)
(77,726)	(1,341,416)	358,480	649,194	(2,206,240)	889,409
—	1,412,992	1,262,296	33,876	385,344	—
—	201,435	33,338	—	—	—
(2,314,376)	(2,523,091)	(2,725,349)	(2,919,165)	(3,526,686)	(3,914,768)
—	—	—	(49,035)	—	—
3,462,713	4,043,117	5,396,963	4,949,023	1,790,677	4,263,417
64,738,515	68,201,228	72,244,345	77,641,308	82,590,331	84,381,008
68,201,228	72,244,345	77,641,308	82,590,331	84,381,008	88,644,425
2,137,886	2,207,368	2,273,714	2,398,379	2,554,119	2,630,742
1,519,677	611,870	667,880	762,876	875,201	1,080,738
—	201,435	33,338	—	—	—
5,056,281	5,556,118	2,367,277	19,305,855	(5,867,816)	(807,422)
(2,314,376)	(2,523,091)	(2,725,349)	(2,919,165)	(3,526,686)	(3,914,768)
(52,281)	(65,970)	(67,580)	(56,629)	(74,520)	(91,010)
6,347,187	5,987,730	2,549,280	19,491,316	(6,039,702)	(1,101,720)
43,075,205	49,422,392	55,410,122	57,959,402	77,450,718	71,411,016
49,422,392	55,410,122	57,959,402	77,450,718	71,411,016	70,309,296
18,778,836	16,834,223	19,681,906	5,139,613	12,969,992	18,335,129
72.47%	76.70%	74.65%	93.78%	84.63%	79.32%
5,699,134	6,174,268	6,739,445	6,947,391	6,274,265	6,802,179
329.50%	272.65%	292.04%	73.98%	206.72%	269.55%

VILLAGE OF GURNEE, ILLINOIS

**Firefighters' Pension Fund**  
**Schedule of Changes in the Employer's Net Pension Liability**  
**April 30, 2023**

	4/30/16	4/30/17
Total Pension Liability		
Service Cost	\$ 1,228,976	1,347,577
Interest	2,841,807	3,152,333
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	354,905	(609,798)
Change of Assumptions	999,531	(165,000)
Contributions - Buy Backs	—	—
Benefit Payments, Including Refunds of Member Contributions	(924,848)	(1,053,415)
Administrative Expenses	—	—
Net Change in Total Pension Liability	4,500,371	2,671,697
Total Pension Liability - Beginning	41,059,663	45,560,034
Total Pension Liability - Ending	45,560,034	48,231,731
Plan Fiduciary Net Position		
Contributions - Employer	1,471,445	1,700,217
Contributions - Members	504,573	519,070
Contributions - Buy Backs	—	—
Net Investment Income	109,820	3,260,042
Benefit Payments, Including Refunds of Member Contributions	(924,848)	(1,053,415)
Administrative Expenses	(32,999)	(29,828)
Net Change in Plan Fiduciary Net Position	1,127,991	4,396,086
Plan Net Position - Beginning	27,991,653	29,119,644
Plan Net Position - Ending	29,119,644	33,515,730
Employer's Net Pension Liability	\$ 16,440,390	14,716,001
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.91%	69.49%
Covered Payroll	\$ 5,277,184	5,469,114
Employer's Net Pension Liability as a Percentage of Covered Payroll	311.54%	269.07%

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

*Changes of Assumptions.* Changes of assumptions related to the mortality improvement scale were made in 2019 through 2022.

4/30/18	4/30/19	4/30/20	4/30/21	4/30/22	4/30/23
1,285,648	1,285,648	1,439,819	1,653,610	1,583,185	1,585,555
3,326,747	3,607,721	3,776,224	3,950,630	4,005,987	4,285,926
—	—	262,832	—	—	(109,672)
(453,350)	(1,602,537)	277,430	151,323	(3,098,016)	349,373
—	501,263	—	17,148	264,899	—
—	—	35,531	—	—	—
(1,413,560)	(1,447,986)	(1,630,160)	(1,933,779)	(2,002,354)	(2,290,371)
—	—	—	(39,275)	—	—
2,745,485	2,344,109	4,161,676	3,799,657	753,701	3,820,811
48,231,731	50,977,216	53,321,325	57,483,001	61,282,658	62,036,359
50,977,216	53,321,325	57,483,001	61,282,658	62,036,359	65,857,170
1,738,081	1,810,723	1,869,571	1,966,654	2,110,682	2,201,735
500,248	530,229	591,991	621,923	609,262	635,280
—	—	35,531	—	—	—
2,591,258	2,572,189	725,605	11,566,930	(3,228,120)	432,068
(1,413,560)	(1,447,986)	(1,630,160)	(1,933,779)	(2,002,354)	(2,290,371)
(25,968)	(41,103)	(38,699)	(39,455)	(43,502)	(54,686)
3,390,059	3,424,052	1,553,839	12,182,273	(2,554,032)	924,026
33,515,730	36,905,789	40,329,841	41,883,680	54,065,953	51,511,921
36,905,789	40,329,841	41,883,680	54,065,953	51,511,921	52,435,947
14,071,427	12,991,484	15,599,321	7,216,705	10,524,438	13,421,223
72.40%	75.64%	72.86%	88.22%	83.04%	79.62%
5,646,860	5,607,922	6,261,153	5,999,283	6,384,914	6,655,644
249.19%	231.66%	249.14%	120.29%	164.83%	201.65%

**VILLAGE OF GURNEE, ILLINOIS**

**Police Pension Fund**

**Schedule of Investment Returns**

**April 30, 2023**

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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%)
4/30/23	(12.67%)

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, 2023**

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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%
4/30/23	0.68%

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, 2023

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	<u>4/30/19</u>
Total OPEB Liability	
Service Cost	\$ 101,787
Interest	191,048
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	—
Change of Assumptions or Other Inputs	201,386
Benefit Payments	<u>(209,629)</u>
Net Change in Total OPEB Liability	284,592
Total OPEB Liability - Beginning	<u>5,265,120</u>
Total OPEB Liability - Ending	<u><u>5,549,712</u></u>
Covered-Employee Payroll	\$ 15,259,637
Total OPEB Liability as a Percentage of Covered-Employee Payroll	36.37%

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 2023.

4/30/20	4/30/21	4/30/22	4/30/23
115,842	130,314	195,661	138,601
178,243	165,258	129,405	237,142
—	—	—	—
—	348,452	—	350,779
173,559	834,718	(1,073,580)	14,268
(227,447)	(245,074)	(297,140)	(319,426)
240,197	1,233,668	(1,045,654)	421,364
5,549,712	5,789,909	7,023,577	5,977,923
5,789,909	7,023,577	5,977,923	6,399,287
16,051,612	15,909,920	16,684,733	18,463,312
36.07%	44.15%	35.83%	34.66%

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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 9,665,000	9,665,000	11,233,733
Intergovernmental	29,702,928	29,702,928	30,289,800
Charges for Services	3,986,890	8,309,990	5,857,792
Licenses and Permits	1,185,000	1,185,000	1,095,187
Fines and Forfeitures	1,458,000	1,458,000	1,094,673
Investment Income	205,001	205,002	439,526
Miscellaneous	55,000	55,000	336,350
Total Revenues	<u>46,257,819</u>	<u>50,580,920</u>	<u>50,347,061</u>
Expenditures			
General Government	8,254,006	12,545,717	10,333,728
Public Safety	32,366,839	32,391,706	31,669,643
Highways and Streets	3,579,549	3,586,072	3,486,347
Capital Outlay	1,557,425	1,557,425	1,557,481
Total Expenditures	<u>45,757,819</u>	<u>50,080,920</u>	<u>47,047,199</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	500,000	500,000	3,299,862
Other Financing (Uses)			
Transfers Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(4,500,000)</u>
Net Change in Fund Balance	<u>—</u>	<u>—</u>	<u>(1,200,138)</u>
Fund Balance - Beginning			<u>31,490,476</u>
Fund Balance - Ending			<u><u>30,290,338</u></u>

**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, 2023**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 1,603,744	1,603,744	1,698,844
Investment Income	1,000	1,000	95,910
Total Revenues	<u>1,604,744</u>	<u>1,604,744</u>	<u>1,794,754</u>
Expenditures			
Highways and Streets			
Repairs and Maintenance	2,345,000	2,345,000	2,275,523
Net Change in Fund Balance	<u>(740,256)</u>	<u>(740,256)</u>	(480,769)
Fund Balance - Beginning			<u>2,041,425</u>
Fund Balance - Ending			<u><u>1,560,656</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:

- Combining Statements - General Fund
- Budgetary Comparison Schedules - General Fund Accounts
- 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

## **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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### **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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## **INDIVIDUAL FUND DESCRIPTIONS - Continued**

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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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### **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 - by Accounts**

**Combining Balance Sheet**

**April 30, 2023**

	General Account	Health Insurance Account	Eliminations	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 29,290,953	32	—	29,290,985
Receivables - Net of Allowances				
Taxes	7,049,300	—	—	7,049,300
Other	473,777	—	—	473,777
Due from Other Funds	77,451	—	(25,000)	52,451
Due from Other Governments	230,325	—	—	230,325
	<hr/>			
Total Assets	37,121,806	32	(25,000)	37,096,838
<hr/>				
<b>LIABILITIES</b>				
Accounts Payable	599,795	301,285	—	901,080
Accrued Payroll	636,155	—	—	636,155
Due to Other Funds	—	25,000	(25,000)	—
Medical Claims Payable	121,038	—	—	121,038
Deposits Payable	75,877	—	—	75,877
Other Payable	4,565,484	—	—	4,565,484
Total Liabilities	5,998,349	326,285	(25,000)	6,299,634
<hr/>				
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	506,866	—	—	506,866
Total Liabilities and Deferred Inflows of Resources	6,505,215	326,285	(25,000)	6,806,500
<hr/>				
<b>FUND BALANCES</b>				
Nonspendable	230,325	—	—	230,325
Unassigned	30,386,266	(326,253)	—	30,060,013
Total Fund Balances	30,616,591	(326,253)	—	30,290,338
<hr/>				
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	37,121,806	32	(25,000)	37,096,838
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VILLAGE OF GURNEE, ILLINOIS

General Fund - by Accounts

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

April 30, 2023

	General Account	Health Insurance Account	Eliminations	Totals
Revenues				
Taxes	\$ 11,233,733	—	—	11,233,733
Intergovernmental	30,289,800	—	—	30,289,800
Charge for Services	4,755,251	5,641,161	(4,538,620)	5,857,792
Licenses and Permits	1,095,187	—	—	1,095,187
Fines and Forfeitures	1,094,673	—	—	1,094,673
Investment Income	439,526	—	—	439,526
Miscellaneous	336,350	—	—	336,350
Total Revenues	49,244,520	5,641,161	(4,538,620)	50,347,061
Expenditures				
General Government	8,904,934	5,967,414	(4,538,620)	10,333,728
Public Safety	31,669,643	—	—	31,669,643
Highways and Streets	3,486,347	—	—	3,486,347
Capital Outlay	1,557,481	—	—	1,557,481
Total Expenditures	45,618,405	5,967,414	(4,538,620)	47,047,199
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,626,115	(326,253)	—	3,299,862
Other Financing (Uses)				
Transfers Out	(4,500,000)	—	—	(4,500,000)
Net Change in Fund Balance	(873,885)	(326,253)	—	(1,200,138)
Fund Balance - Beginning	31,490,476	—	—	31,490,476
Fund Balances - Ending	30,616,591	(326,253)	—	30,290,338

VILLAGE OF GURNEE, ILLINOIS

General Account - General Fund

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

For the Fiscal Year Ended April 30, 2023

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 9,665,000	9,665,000	11,233,733
Intergovernmental	29,702,928	29,702,928	30,289,800
Charges for Services	3,986,890	3,986,890	4,755,251
Licenses and Permits	1,185,000	1,185,000	1,095,187
Fines and Forfeitures	1,458,000	1,458,000	1,094,673
Investment Income	205,001	205,002	439,526
Miscellaneous	55,000	55,000	336,350
Total Revenues	<u>46,257,819</u>	<u>46,257,820</u>	<u>49,244,520</u>
Expenditures			
General Government	8,254,006	8,222,617	8,904,934
Public Safety	32,366,839	32,391,706	31,669,643
Highways and Streets	3,579,549	3,586,072	3,486,347
Capital Outlay	1,557,425	1,557,425	1,557,481
Total Expenditures	<u>45,757,819</u>	<u>45,757,820</u>	<u>45,618,405</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	500,000	500,000	3,626,115
Other Financing (Uses)			
Transfers Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(4,500,000)</u>
Net Change in Fund Balance	<u>—</u>	<u>—</u>	<u>(873,885)</u>
Fund Balance - Beginning			<u>31,490,476</u>
Fund Balance - Ending			<u><u>30,616,591</u></u>

VILLAGE OF GURNEE, ILLINOIS

Health Insurance Account - General Fund

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

For the Fiscal Year Ended April 30, 2023

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	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 4,323,100	4,323,100	5,641,161
Expenditures			
General Government	4,323,100	4,323,100	5,967,414
Net Change in Fund Balance	<u>          —</u>	<u>          —</u>	(326,253)
Fund Balance - Beginning			<u>          —</u>
Fund Balance - Ending			<u><u>(326,253)</u></u>

VILLAGE OF GURNEE, ILLINOIS

**General Account - General Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Fiscal Year Ended April 30, 2023**

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Road and Bridge Taxes	\$ 500,000	500,000	421,345
Amusement Taxes	3,600,000	3,600,000	3,999,289
Hotel Taxes	1,800,000	1,800,000	2,386,732
Resort Tax	400,000	400,000	530,219
Food and Beverage Taxes	2,130,000	2,130,000	2,610,471
Telecommunications Taxes	540,000	540,000	547,494
Cable TV Franchise Taxes	500,000	500,000	455,911
Alarm Franchise Taxes	110,000	110,000	189,201
Foreign Fire Insurance Taxes	85,000	85,000	93,071
	<u>9,665,000</u>	<u>9,665,000</u>	<u>11,233,733</u>
<b>Intergovernmental</b>			
Sales Taxes	18,675,000	18,675,000	20,281,213
Local Use Taxes	1,175,000	1,175,000	1,259,119
State Income Tax	4,004,292	4,004,292	4,725,391
Replacement Tax	140,000	140,000	428,625
Cannabis Tax	60,000	60,000	48,345
IL Gaming Tax	—	—	1,027
Police Vest Grant	13,330	13,330	20,928
Tobacco Grant	2,500	2,500	2,200
Seat Belt Enforcement	22,000	22,000	18,367
K-9 Program Grant	7,000	7,000	—
Clean Energy Grant	192,000	192,000	192,952
ARPA Grant	2,064,856	2,064,856	—
Warren Fire District	3,345,000	3,345,000	3,311,633
NSSD Information	1,950	1,950	—
	<u>29,702,928</u>	<u>29,702,928</u>	<u>30,289,800</u>
<b>Charges for Services</b>			
School Resource Officer	50,000	50,000	141,322
Off Duty Police Service	367,625	367,625	256,423
Fire Dept Charges	2,500	2,500	2,675
Non Resident Rescue Fees	550,000	550,000	488,840
Resident Rescue Fees	750,000	750,000	975,374
Recycling Revenues	2,500	2,500	5,486
Dispatch Services	1,005,470	1,005,470	1,013,839
Elevator Inspections	14,500	14,500	8,040
Maps	50	50	25

**VILLAGE OF GURNEE, ILLINOIS**

**General Account - General Fund**

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

**For the Fiscal Year Ended April 30, 2023**

	Budget		Actual
	Original	Final	
<b>Charges for Services - Continued</b>			
Ordinances	\$ 500	500	459
Miscellaneous Other Charges	10,050	10,050	128,401
Public Works Charges	—	—	8,692
Newport Fire Phone	46,265	46,265	47,200
Police Charges	12,500	12,500	8,240
GEMT Ambulance Program	325,000	325,000	792,382
Fire Cost Recovery	65,000	65,000	104,838
Tower/Antennae Lease	34,380	34,380	8,831
Parkway Tree Program	2,000	2,000	2,625
Reimbursable Charges	10,000	10,000	18,925
Water and Sewer Charges	736,450	736,450	736,450
Pace Ad Revenue Share	2,100	2,100	—
Tollway Fire Service	—	—	6,184
	<u>3,986,890</u>	<u>3,986,890</u>	<u>4,755,251</u>
<b>Licenses and Permits</b>			
Liquor Licenses	110,000	110,000	120,725
Business Licenses	275,000	275,000	292,112
General Building Permits	725,000	725,000	679,800
Burning Permits	—	—	350
Fire Impact	—	—	450
Police & Public Works	—	—	300
Traffic	75,000	75,000	1,450
	<u>1,185,000</u>	<u>1,185,000</u>	<u>1,095,187</u>
<b>Fines and Forfeitures</b>			
Court Fines	300,000	300,000	237,654
DUI Fines	10,000	10,000	13,680
Prison Review Agency	5,000	5,000	1,004
Parking Fines	24,000	24,000	27,755
Collection Revenue	40,000	40,000	13,315
Alarm Fines	5,000	5,000	2,443
Liquor License Violations	—	—	2,000
Tax Penalties - Local Imposed	5,000	5,000	17,181
Impoundment Fine	145,000	145,000	190,250
Red Light Enforcement	900,000	900,000	547,429
Code Enforcement Violation	24,000	24,000	41,962
	<u>1,458,000</u>	<u>1,458,000</u>	<u>1,094,673</u>

VILLAGE OF GURNEE, ILLINOIS

General Account - General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2023

	Budget		Actual
	Original	Final	
Investment Income	\$ 205,001	205,002	439,526
Miscellaneous			
Workers' Compensation Reimbursements	25,000	25,000	126,957
Fire Dept Donations	5,000	5,000	7,105
Damage to Village Property	20,000	20,000	100,945
Training Reimbursement	—	—	52,957
Police - Miscellaneous Contributions	5,000	5,000	30,772
Police Explorers	—	—	17,614
	55,000	55,000	336,350
Total Revenues	46,257,819	46,257,820	49,244,520

VILLAGE OF GURNEE, ILLINOIS

General Account - General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Fiscal Year Ended April 30, 2023

	Budget		Actual
	Original	Final	
<b>General Government</b>			
<b>Administration</b>			
Salaries and Wages	\$ 1,225,525	1,225,525	1,176,164
Employee Benefits	391,081	391,289	846,749
Personnel Expenditures	1,800	1,800	5,903
Professional Services	200,125	200,125	203,632
Contractual Services	489,840	456,821	465,831
Insurance	18,871	19,146	17,646
Commodities	10,400	10,400	11,423
Utilities	—	—	4,706
Repairs and Maintenance	38,355	38,355	41,713
Miscellaneous	2,395,000	2,395,000	2,905,894
	<u>4,770,997</u>	<u>4,738,461</u>	<u>5,679,661</u>
<b>Information Systems</b>			
Salaries and Wages	608,595	608,595	610,998
Employee Benefits	221,131	221,289	215,502
Personnel Expenditures	5,925	5,925	2,134
Professional Services	35,000	35,000	6,255
Contractual Services	135,430	135,430	116,324
Insurance	1,216	1,235	1,235
Commodities	1,750	1,750	1,209
Utilities	4,600	4,600	4,768
Repairs and Maintenance	21,200	21,200	20,393
	<u>1,034,847</u>	<u>1,035,024</u>	<u>978,818</u>
<b>Cable Television</b>			
Professional Services	500	500	—
Contractual Services	68,421	68,421	66,880
Commodities	50	50	—
	<u>68,971</u>	<u>68,971</u>	<u>66,880</u>
<b>Building Maintenance</b>			
Contractual Services	51,200	51,200	12,432
Insurance	6,508	6,612	6,612
Commodities	9,300	9,300	4,503
Repairs and Maintenance	34,500	34,500	16,317
	<u>101,508</u>	<u>101,612</u>	<u>39,864</u>



VILLAGE OF GURNEE, ILLINOIS

General Account - General Fund  
 Schedule of Expenditures - Budget and Actual - Continued  
 For the Fiscal Year Ended April 30, 2023

	Budget		Actual
	Original	Final	
General Government - Continued			
Planning			
Salaries and Wages	\$ 896,245	896,245	901,207
Employee Benefits	334,992	335,303	328,057
Personnel Expenditures	3,450	3,450	3,561
Professional Services	48,500	48,500	40,492
Contractual Services	14,345	14,345	15,498
Insurance	7,648	7,770	7,770
Commodities	6,700	6,700	3,220
Utilities	5,800	5,800	4,867
Repairs and Maintenance	30,520	30,520	29,817
	<u>1,348,200</u>	<u>1,348,633</u>	<u>1,334,489</u>
Engineering			
Salaries and Wages	614,518	614,518	519,615
Employee Benefits	240,682	240,993	223,811
Personnel Expenditures	3,525	3,525	7,453
Professional Services	5,000	5,000	—
Contractual Services	17,615	17,615	16,208
Insurance	7,648	7,770	7,770
Commodities	14,300	14,300	5,713
Utilities	7,310	7,310	7,902
Repairs and Maintenance	18,885	18,885	16,750
	<u>929,483</u>	<u>929,916</u>	<u>805,222</u>
Total General Government	<u>8,254,006</u>	<u>8,222,617</u>	<u>8,904,934</u>
Public Safety			
Police			
Salaries and Wages	9,810,168	9,810,168	9,461,916
Employee Benefits	5,061,938	5,070,679	4,991,789
Personnel Expenditures	181,540	181,540	144,026
Professional Services	114,200	114,200	155,264
Contractual Services	960,960	960,960	851,402

VILLAGE OF GURNEE, ILLINOIS

General Account - General Fund  
 Schedule of Expenditures - Budget and Actual - Continued  
 For the Fiscal Year Ended April 30, 2023

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police - Continued			
Insurance	\$ 164,940	167,505	205,870
Commodities	91,785	91,785	73,569
Utilities	66,760	66,760	50,520
Repairs and Maintenance	307,355	307,355	238,037
	<u>16,759,646</u>	<u>16,770,952</u>	<u>16,172,393</u>
Fire			
Salaries and Wages	7,627,630	7,627,630	7,792,345
Employee Benefits	4,123,110	4,135,344	4,157,740
Personnel Expenditures	33,300	33,300	57,066
Professional Services	75,000	75,000	63,893
Contractual Services	125,270	125,270	110,152
Insurance	60,015	60,892	50,574
Commodities	103,100	103,100	89,065
Utilities	15,750	15,750	13,536
Repairs and Maintenance	177,125	177,125	150,044
	<u>12,340,300</u>	<u>12,353,411</u>	<u>12,484,415</u>
Communications			
Salaries and Wages	2,314,420	2,314,420	2,127,381
Employee Benefits	884,748	885,039	836,955
Personnel Expenditures	13,215	13,215	9,616
Professional Services	4,990	4,990	644
Contractual Services	20,315	20,315	14,284
Insurance	9,985	10,144	10,144
Commodities	4,770	4,770	3,190
Utilities	2,460	2,460	1,771
Repairs and Maintenance	11,990	11,990	8,850
	<u>3,266,893</u>	<u>3,267,343</u>	<u>3,012,835</u>
Total Public Safety	<u>32,366,839</u>	<u>32,391,706</u>	<u>31,669,643</u>

**VILLAGE OF GURNEE, ILLINOIS**

**General Account - General Fund  
 Schedule of Expenditures - Budget and Actual - Continued  
 For the Fiscal Year Ended April 30, 2023**

	Budget		Actual
	Original	Final	
Highways and Streets			
Street Maintenance			
Salaries and Wages	\$ 1,524,748	1,524,748	1,425,213
Employee Benefits	802,578	808,237	761,569
Personnel Expenditures	8,950	8,950	6,736
Professional Services	1,500	1,500	—
Contractual Services	500,724	500,724	464,765
Insurance	74,236	75,100	102,748
Commodities	386,100	386,100	414,228
Utilities	18,700	18,700	16,998
Repairs and Maintenance	242,013	242,013	223,764
	<u>3,559,549</u>	<u>3,566,072</u>	<u>3,416,021</u>
Vehicle Maintenance			
Contractual Services	20,000	20,000	70,326
	<u>20,000</u>	<u>20,000</u>	<u>70,326</u>
Total Highway and Streets	<u>3,579,549</u>	<u>3,586,072</u>	<u>3,486,347</u>
Capital Outlay	<u>1,557,425</u>	<u>1,557,425</u>	<u>1,557,481</u>
Total Expenditures	<u><u>45,757,819</u></u>	<u><u>45,757,820</u></u>	<u><u>45,618,405</u></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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Home Rule Sales	\$ 4,900,000	4,900,000	5,506,341
Intergovernmental	162,000	162,000	19,146
Investment Income	5,000	5,000	273,546
Miscellaneous	75,000	75,000	89,441
Total Revenues	<u>5,142,000</u>	<u>5,142,000</u>	<u>5,888,474</u>
Expenditures			
Capital Outlay	9,277,850	9,654,110	6,478,352
Debt Services			
Principal Retirement	5,280,000	5,280,000	5,277,482
Interest and Fiscal Charges	75,205	75,205	79,254
Total Expenditures	<u>14,633,055</u>	<u>15,009,315</u>	<u>11,835,088</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,491,055)	(9,867,315)	(5,946,614)
Other Financing Sources			
Transfers In	<u>650,000</u>	<u>650,000</u>	<u>2,650,000</u>
Net Change in Fund Balance	<u>(8,841,055)</u>	<u>(9,217,315)</u>	(3,296,614)
Fund Balance - Beginning			<u>12,514,124</u>
Fund Balance - Ending			<u><u>9,217,510</u></u>

VILLAGE OF GURNEE, ILLINOIS

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 April 30, 2023

	Special Revenue			Capital Projects	Totals
	911	Impact	Asset Forfeiture	Fleet Services	
<b>ASSETS</b>					
Cash and Investments	\$ —	276,928	294,980	1,352,338	1,924,246
Receivables - Net of Allowances					
Accounts	324,323	—	42,595	—	366,918
Inventories	—	—	—	174,863	174,863
Total Assets	324,323	276,928	337,575	1,527,201	2,466,027
<b>LIABILITIES</b>					
Accounts Payable	99	—	—	30,544	30,643
Accrued Payroll	—	—	—	21,688	21,688
Due to Other Funds	52,451	—	—	—	52,451
Total Liabilities	52,550	—	—	52,232	104,782
<b>FUND BALANCES</b>					
Fund Balances					
Nonspendable	—	—	—	174,863	174,863
Restricted	271,773	—	337,575	—	609,348
Committed	—	276,928	—	1,300,106	1,577,034
Total Fund Balances	271,773	276,928	337,575	1,474,969	2,361,245
Total Liabilities and Fund Balances	324,323	276,928	337,575	1,527,201	2,466,027

VILLAGE OF GURNEE, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended April 30, 2023

	Special Revenue			Capital Projects	Totals
	911	Impact	Asset Forfeiture	Fleet Services	
Revenues					
Intergovernmental	—	—	56,000	—	56,000
Charges for Services	\$ 817,682	—	—	3,861,377	4,679,059
Fines and Forfeitures	—	—	147,949	—	147,949
Investment Income	—	—	4,069	—	4,069
Miscellaneous	—	9,100	—	—	9,100
Total Revenues	817,682	9,100	208,018	3,861,377	4,896,177
Expenditures					
Public Safety	—	—	24,760	—	24,760
Highways and Streets	—	—	—	1,773,237	1,773,237
Capital Outlay	727,135	—	86,226	1,043,940	1,857,301
Total Expenditures	727,135	—	110,986	2,817,177	3,655,298
Excess (Deficiency) of Revenues Over (Under) Expenditures	90,547	9,100	97,032	1,044,200	1,240,879
Other Financing (Uses)					
Transfers Out	—	(150,000)	—	—	(150,000)
Net Change in Fund Balances	90,547	(140,900)	97,032	1,044,200	1,090,879
Fund Balances - Beginning	181,226	417,828	240,543	430,769	1,270,366
Fund Balances - Ending	271,773	276,928	337,575	1,474,969	2,361,245

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, 2023

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	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 1,741,336	1,741,336	817,682
Expenditures			
Capital Outlay	1,741,336	1,741,336	727,135
Net Change in Fund Balance	<u>          —</u>	<u>          —</u>	90,547
Fund Balance - Beginning			<u>181,226</u>
Fund Balance - Ending			<u>271,773</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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 100	100	—
Miscellaneous	—	—	9,100
Total Revenues	100	100	9,100
Expenditures			
General Government	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	100	100	9,100
Other Financing (Uses)			
Transfers Out	(150,000)	(150,000)	(150,000)
Net Change in Fund Balance	(149,900)	(149,900)	(140,900)
Fund Balance - Beginning			417,828
Fund Balance - Ending			276,928



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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ —	—	56,000
Fines and Forfeitures			
Seizures	260,000	260,000	147,949
Investment Income	100	100	4,069
Total Revenues	<u>260,100</u>	<u>260,100</u>	<u>208,018</u>
Expenditures			
Public Safety			
Supplies and Materials	10,000	10,000	—
Charges and Services	51,000	51,000	24,760
Capital Outlay	165,000	165,000	86,226
Total Expenditures	<u>226,000</u>	<u>226,000</u>	<u>110,986</u>
Net Change in Fund Balance	<u>34,100</u>	<u>34,100</u>	97,032
Fund Balance - Beginning			<u>240,543</u>
Fund Balance - Ending			<u><u>337,575</u></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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 3,641,190	3,641,190	3,861,377
Expenditures			
Highways and Streets	1,471,952	1,471,952	1,773,237
Capital Outlay	2,167,200	2,167,200	1,043,940
Total Expenditures	3,639,152	3,639,152	2,817,177
Net Change in Fund Balance	2,038	2,038	1,044,200
Fund Balance - Beginning			430,769
Fund Balance - Ending			1,474,969

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, 2023

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ —	—	—
Operating Expenses			
Operations			
Capital Outlay	50,000	50,000	4,500
Depreciation	—	—	21,142
Total Operating Expenses	50,000	50,000	25,642
Operating (Loss)	(50,000)	(50,000)	(25,642)
Nonoperating Revenues			
Investment Income	50,200	50,200	66,597
Change in Net Position	200	200	40,955
Net Position - Beginning			4,975,252
Net Position - Ending			5,016,207

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, 2023

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Metered Water	\$ 9,452,500	9,452,500	9,704,218
Operating Expenses			
Operations			
Salaries and Benefits	1,878,731	1,878,731	1,644,110
Personnel Expenses	7,300	7,300	10,013
Professional Services	18,500	18,500	1,735
Contractual	1,254,932	1,254,932	1,219,007
Insurance	58,705	58,705	63,944
Commodities	2,257,705	2,257,705	2,208,257
Utilities	135,930	135,930	149,512
Repairs and Maintenance	396,008	396,008	358,021
Capital Outlay	639,880	639,880	—
Capital			
Professional Services	5,288,500	5,288,500	906,562
Depreciation and Amortization	—	—	1,681,683
Total Operating Expenses	11,936,191	11,936,191	8,242,844
Operating Income (Loss)	(2,483,691)	(2,483,691)	1,461,374
Nonoperating Revenues (Expenses)			
Investment Income	10,000	10,000	145,601
Principal Retirement	(479,583)	(479,583)	—
Interest Expense	(84,666)	(84,666)	(82,906)
	(554,249)	(554,249)	62,695
Income (Loss) Before Transfers	(3,037,940)	(3,037,940)	1,524,069
Transfers In	—	—	2,000,000
Change in Net Position	(3,037,940)	(3,037,940)	3,524,069
Net Position - Beginning			61,010,158
Net Position - Ending			64,534,227

**VILLAGE OF GURNEE, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Fiduciary Net Position**

**April 30, 2023**

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	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,515,671	262,730	2,778,401
Investments			
Illinois Police Officers Pension Investment Fund	67,791,350	—	67,791,350
Illinois Firefighters' Pension Consolidated Investment Fund	—	52,172,907	52,172,907
Prepays	3,440	1,765	5,205
Total Assets	<u>70,310,461</u>	<u>52,437,402</u>	<u>122,747,863</u>
<b>LIABILITIES</b>			
Accounts Payable	<u>1,165</u>	<u>1,455</u>	<u>2,620</u>
<b>NET POSITION</b>			
Net Position Restricted for Pensions	<u><u>70,309,296</u></u>	<u><u>52,435,947</u></u>	<u><u>122,745,243</u></u>

**VILLAGE OF GURNEE, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Changes in Fiduciary Net Position**

**For the Fiscal Year Ended April 30, 2023**

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 2,630,742	2,201,735	4,832,477
Contributions - Plan Members	1,080,738	635,280	1,716,018
Total Contributions	<u>3,711,480</u>	<u>2,837,015</u>	<u>6,548,495</u>
<b>Investment Income</b>			
Interest Earned	528,789	518,820	1,047,609
Net Change in Fair Value	(1,218,376)	(63,395)	(1,281,771)
	<u>(689,587)</u>	<u>455,425</u>	<u>(234,162)</u>
Less Investment Expenses	(117,835)	(23,357)	(141,192)
Net Investment Income	<u>(807,422)</u>	<u>432,068</u>	<u>(375,354)</u>
Total Additions	<u>2,904,058</u>	<u>3,269,083</u>	<u>6,173,141</u>
<b>Deductions</b>			
Administration	91,010	54,686	145,696
Benefits and Refunds	3,914,768	2,290,371	6,205,139
Total Deductions	<u>4,005,778</u>	<u>2,345,057</u>	<u>6,350,835</u>
Change in Fiduciary Net Position	(1,101,720)	924,026	(177,694)
<b>Net Position Restricted for Pensions</b>			
Beginning	<u>71,411,016</u>	<u>51,511,921</u>	<u>122,922,937</u>
Ending	<u>70,309,296</u>	<u>52,435,947</u>	<u>122,745,243</u>

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, 2023

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,630,742	2,630,742	2,630,742
Contributions - Plan Members	800,000	800,000	1,080,738
Total Contributions	3,430,742	3,430,742	3,711,480
Investment Income			
Interest Income	4,728,000	4,728,000	528,789
Net Change in Fair Value	—	—	(1,218,376)
	4,728,000	4,728,000	(689,587)
Less Investment Expenses	(223,000)	(223,000)	(117,835)
Net Investment Income	4,505,000	4,505,000	(807,422)
Total Additions	7,935,742	7,935,742	2,904,058
Deductions			
Administration	74,000	74,000	91,010
Benefits	3,433,000	3,433,000	3,914,768
Total Deductions	3,507,000	3,507,000	4,005,778
Change in Fiduciary Net Position	4,428,742	4,428,742	(1,101,720)
Net Position Restricted for Pensions			
Beginning			71,411,016
Ending			70,309,296

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, 2023

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,201,735	2,201,735	2,201,735
Contributions - Plan Members	576,000	576,000	635,280
Total Contributions	<u>2,777,735</u>	<u>2,777,735</u>	<u>2,837,015</u>
Investment Income			
Interest Earned	500,000	500,000	518,820
Net Change in Fair Value	1,500,000	1,500,000	(63,395)
	<u>2,000,000</u>	<u>2,000,000</u>	<u>455,425</u>
Less Investment Expenses	(95,000)	(95,000)	(23,357)
Net Investment Income	<u>1,905,000</u>	<u>1,905,000</u>	<u>432,068</u>
Total Additions	<u>4,682,735</u>	<u>4,682,735</u>	<u>3,269,083</u>
Deductions			
Administration	54,850	54,850	54,686
Benefits and Refunds	2,295,000	2,295,000	2,290,371
Total Deductions	<u>2,349,850</u>	<u>2,349,850</u>	<u>2,345,057</u>
Change in Fiduciary Net Position	<u>2,332,885</u>	<u>2,332,885</u>	924,026
Net Position Restricted for Pensions			
Beginning			<u>51,511,921</u>
Ending			<u>52,435,947</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, 2023

	Budget		Actual
	Original	Final	
Additions			
Charges for Services			
911 Surcharge	\$ 875,000	875,000	1,009,345
Interest Earned	500	500	69,504
Total Additions	875,500	875,500	1,078,849
Deductions			
Professional Services	2,106,176	2,106,176	904,841
Change in Fiduciary Net Position	<u>(1,230,676)</u>	<u>(1,230,676)</u>	174,008
Net Position Restricted for Individuals, Organizations, and Other Governments			
Beginning			<u>2,109,135</u>
Ending			<u>2,283,143</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, 2023 (Unaudited)**

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**See Following Page**

**VILLAGE OF GURNEE, ILLINOIS**

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

**April 30, 2023 (Unaudited)**

	2014	2015	2016	2017
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 66,250,334	67,471,505	68,607,855	71,604,563
Restricted	3,189,760	3,256,758	2,435,165	1,803,349
Unrestricted (Deficit)	20,679,360	22,056,883	(16,248,626)	(16,158,367)
<b>Total Governmental   Activities Net Position</b>	<b>90,119,454</b>	<b>92,785,146</b>	<b>54,794,394</b>	<b>57,249,545</b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	58,144,394	57,190,210	57,057,122	57,011,487
Unrestricted	4,414,159	5,088,446	4,874,724	5,705,034
<b>Total Business-Type   Activities Net Position</b>	<b>62,558,553</b>	<b>62,278,656</b>	<b>61,931,846</b>	<b>62,716,521</b>
<b>Total Primary Government</b>				
Net Investment in Capital Assets	124,394,728	124,661,715	125,664,977	128,616,050
Restricted	3,189,760	3,256,758	2,435,165	1,803,349
Unrestricted (Deficit)	25,093,519	27,145,329	(11,373,902)	(10,453,333)
<b>Total Primary Government   Net Position</b>	<b>152,678,007</b>	<b>155,063,802</b>	<b>116,726,240</b>	<b>119,966,066</b>

Data Source: Village Records

2018	2019	2020	2021	2022	2023
72,521,382	72,883,954	73,048,132	72,080,771	71,261,240	75,412,648
1,525,602	2,465,101	753,861	1,633,446	2,463,194	2,170,004
(15,945,390)	(17,151,303)	(14,546,877)	(6,686,516)	13,925,705	10,887,258
58,101,594	58,197,752	59,255,116	67,027,701	87,650,139	88,469,910
58,392,013	58,261,518	59,328,919	59,059,111	59,623,202	61,289,792
4,988,694	5,715,057	4,331,433	5,899,531	6,362,208	8,260,642
63,380,707	63,976,575	63,660,352	64,958,642	65,985,410	69,550,434
130,913,395	131,145,472	132,377,051	131,139,882	130,884,442	136,702,440
1,525,602	2,465,101	753,861	1,633,446	2,463,194	2,170,004
(10,956,696)	(11,436,246)	(10,215,444)	(786,985)	20,287,913	19,147,900
121,482,301	122,174,327	122,915,468	131,986,343	153,635,549	158,020,344

**VILLAGE OF GURNEE, ILLINOIS**

**Changes in Net Position - Last Ten Fiscal Years  
April 30, 2023 (Unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental Activities										
General Government	\$ 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	13,099,145
Public Safety	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	32,191,753
Highways and Streets	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	14,666,432
Interest On Long-Term Debt	423,270	342,969	268,974	194,595	152,193	110,963	(64,260)	21,019	120,026	66,720
	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	60,024,050
Business-Type Activities										
Golf Course	19,818	19,250	19,250	19,250	19,250	19,250	108,747	68,479	21,142	25,642
Water and Sewer	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	8,325,750
	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	8,351,392
<b>Total Primary Government Expenses</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>68,375,442</b>
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
General Government	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	3,114,912
Public Safety	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	9,203,820
Highways and Streets	—	—	—	—	—	—	—	2,300,344	1,589,383	3,867,561
Operating Grants/Contributions	76,493	52,928	3,871	25,238	18,216	67,892	554,194	1,871,594	306,065	234,447
Capital Grants/Contributions	844,353	276,395	140,000	933,964	—	—	45,182	1,000,000	1,000,000	75,146
	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	16,495,886
Business-Type Activities										
Charges for Services										
Golf Course	—	—	—	—	—	1,790	—	—	—	—
Water and Sewer	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	9,704,218
	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	9,704,218
<b>Total Primary Government Program Revenues</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>	<b>26,200,104</b>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net (Expenses) Revenues</b>										
Governmental Activities	\$ (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)	(43,528,164)
Business-Type Activities	(1,002,904)	(164,866)	(113,222)	575,996	662,078	619,108	(513,106)	1,096,920	797,121	1,352,826
<b>Total Primary Government Net Revenues/(Expenses)</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>(42,175,338)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes	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	19,747,203
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	25,352,790
Investment Earnings	16,064	10,117	52,654	55,105	175,672	683,386	758,975	253,690	(313,467)	813,051
Miscellaneous	52,296	85,461	306,310	562,770	88,829	106,058	1,543,997	293,472	156,469	434,891
Transfers	216,294	166,440	(134,760)	(200,000)	—	(200,000)	(59,000)	(125,000)	(158,407)	(2,000,000)
	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	44,347,935
<b>Business-Type Activities</b>										
Interest Income	2,535	1,409	7,654	(1,371)	2,108	125,205	137,883	68,025	64,213	212,198
Miscellaneous	—	50,000	50,000	10,050	—	—	—	8,345	7,027	—
Transfers	(216,294)	(166,440)	134,760	200,000	—	200,000	59,000	125,000	158,407	2,000,000
	(213,759)	(115,031)	192,414	208,679	2,108	325,205	196,883	201,370	229,647	2,212,198
<b>Total Primary Government</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>46,560,133</b>
<b>Changes in Net Position</b>										
Governmental Activities	(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	819,771
Business-Type Activities	(1,216,663)	(279,897)	79,192	784,675	664,186	944,313	(316,223)	1,298,290	1,026,768	3,565,024
<b>Total Primary Government</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>	<b>4,384,795</b>

Data Source: Village Records

**VILLAGE OF GURNEE, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years**

**April 30, 2023 (Unaudited)**

	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 267,967	307,504	415,956	402,521
Assigned	—	—	678,105	688,875
Unassigned	21,872,649	23,345,369	23,825,296	24,925,486
Total General Fund	22,140,616	23,652,873	24,919,357	26,016,882
All Other Governmental Funds				
Nonspendable	1,370	678	678	677
Restricted	3,353,195	3,388,956	2,544,322	1,890,949
Committed	7,815,941	6,622,809	5,331,519	4,435,057
Total All Other Governmental Funds	11,170,506	10,012,443	7,876,519	6,326,683
Total All Governmental Funds	33,311,122	33,665,316	32,795,876	32,343,565

Data Source: Village Records



2018	2019	2020	2021	2022	2023
367,993	235,044	365,597	249,804	291,056	230,325
—	—	—	—	—	—
25,673,424	26,508,124	25,385,545	24,980,815	31,199,420	30,060,013
26,041,417	26,743,168	25,751,142	25,230,619	31,490,476	30,290,338
—	—	—	145,505	168,708	174,863
1,594,771	2,459,041	753,861	1,633,446	2,463,194	2,170,004
2,941,432	3,466,586	3,984,548	5,456,849	13,194,013	10,794,544
4,536,203	5,925,627	4,738,409	7,235,800	15,825,915	13,139,411
30,577,620	32,668,795	30,489,551	32,466,419	47,316,391	43,429,749

**VILLAGE OF GURNEE, ILLINOIS**

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years  
April 30, 2023 (Unaudited)**

	2014	2015	2016
Revenues			
Taxes	\$ 9,494,034	11,074,187	15,091,918
Intergovernmental	23,892,713	24,298,206	23,955,455
Charges for Services	2,629,000	2,626,928	2,878,783
Licenses and Permits	807,727	931,524	978,799
Fines and Forfeitures	1,844,379	1,841,933	2,033,885
Investment Income	16,064	10,117	52,654
Miscellaneous	52,296	85,461	306,310
Total Revenues	38,736,213	40,868,356	45,297,804
Expenditures			
Current			
General Government	5,145,090	5,250,665	6,815,620
Public Safety	23,065,010	23,910,975	24,167,952
Highways and Streets	4,824,703	4,663,987	5,016,925
Capital Outlay	6,019,790	4,400,294	8,294,310
Debt Service			
Principal Retirement	1,935,000	2,035,000	2,447,757
Interest and Fiscal Charges	515,974	437,175	354,983
Total Expenditures	41,505,567	40,698,096	47,097,547
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,769,354)	170,260	(1,799,743)
Other Financing Sources (Uses)			
Debt Issuance	—	—	998,468
Disposal of Capital Assets	45,389	17,494	66,595
Transfers In	6,407,553	4,071,675	3,065,195
Transfers Out	(6,241,913)	(3,905,235)	(3,199,955)
	211,029	183,934	930,303
Net Change in Fund Balances	(2,558,325)	354,194	(869,440)
Debt Service as a Percentage of Noncapital Expenditures	6.0%	6.3%	6.2%

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

Data Source: Village Records

2017	2018	2019	2020	2021	2022	2023
14,106,219	13,578,002	15,413,939	14,280,346	8,754,293	15,569,305	16,740,074
24,863,305	23,856,029	24,652,181	26,109,313	29,005,419	37,387,326	32,063,790
3,203,488	3,758,185	4,426,397	4,785,581	6,732,593	7,229,000	10,536,851
1,226,620	1,362,668	1,125,146	890,123	1,088,113	1,003,577	1,095,187
1,742,105	1,987,799	2,165,292	1,835,471	1,524,441	1,476,500	1,242,622
55,105	175,672	683,386	758,975	253,690	(313,467)	813,051
562,770	88,829	106,058	1,543,997	293,472	156,469	434,891
45,759,612	44,807,184	48,572,399	50,203,806	47,652,021	62,508,710	62,926,466
5,592,552	5,845,855	6,793,147	7,130,404	5,397,213	7,155,696	10,333,728
25,053,073	27,080,893	27,560,716	28,777,127	28,986,189	30,403,267	31,694,403
4,736,254	4,775,884	4,291,033	5,654,819	6,134,049	6,218,780	7,535,107
8,173,880	6,721,813	6,486,136	6,227,150	7,810,726	6,093,535	9,893,134
2,338,992	1,916,719	1,015,000	4,380,000	—	161,178	5,277,482
279,120	233,592	185,350	154,550	—	128,511	79,254
46,173,871	46,574,756	46,331,382	52,324,050	48,328,177	50,160,967	64,813,108
(414,259)	(1,767,572)	2,241,017	(2,120,244)	(676,156)	12,347,743	(1,886,642)
—	—	—	—	2,778,024	2,660,636	—
161,948	1,627	50,158	—	—	—	—
2,897,575	2,309,325	3,101,200	3,344,727	367,283	4,250,000	2,650,000
(3,097,575)	(2,309,325)	(3,301,200)	(3,403,727)	(492,283)	(4,408,407)	(4,650,000)
(38,052)	1,627	(149,842)	(59,000)	2,653,024	2,502,229	(2,000,000)
(452,311)	(1,765,945)	2,091,175	(2,179,244)	1,976,868	14,849,972	(3,886,642)
6.1%	4.8%	2.7%	9.0%	0.0%	0.6%	8.3%

**VILLAGE OF GURNEE, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years  
April 30, 2023 (Unaudited)**

Tax Levy Year	Real Estate	Railroads	Total Assessed Value	Estimated Actual Value of Property	Total Direct Tax Rate
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	—
2022	1,278,271,095	1,292,670	1,279,563,765	4,265,212,550	—

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, 2023 (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, 2023 (Unaudited)**

	2013	2014	2015
Direct Rates			
Village of Gurnee*	—	—	—
Overlapping Rates for Grade School District 56			
Lake County Forest	0.2180	0.2100	0.2079
Warren Township	0.6320	0.6576	0.6476
North Shore Sanitary	0.1640	0.1694	0.1656
Gurnee Park District	0.5140	0.5311	0.5222
School District 56	4.6770	4.9453	4.9927
High School 121	2.3940	2.5073	2.4833
Warren Newport Library	0.3330	0.3413	0.3348
CLCJAWA Water	0.0550	0.0559	0.0541
College of Lake County	0.2960	0.3061	0.2994
County of Lake	0.6630	0.6825	0.6628
Overlapping Rates for Grade School District 50			
Lake County Forest	0.2180	0.2100	0.2079
Warren Township	0.6320	0.3068	0.6476
North Shore Sanitary	0.1640	0.1694	0.1656
Gurnee Park District	0.5140	0.5311	0.5222
School District 50	4.6510	4.8400	4.6940
High School 121	2.3940	2.5073	2.4833
Warren Newport Library	0.3330	0.3413	0.3348
CLCJAWA Water	0.0550	0.0559	0.0541
College of Lake County	0.2960	0.3061	0.2994
County of Lake	0.6630	0.6825	0.6628

\* 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

2016	2017	2018	2019	2020	2021	2022
—	—	—	—	—	—	—
0.1929	0.1873	0.1821	0.1798	0.1818	0.1789	0.1732
0.2911	0.2826	0.3326	0.2789	0.6179	0.6221	0.6189
0.1568	0.1527	0.1532	0.1530	0.1571	0.1583	0.1597
0.5044	0.5006	0.5164	0.4940	0.5042	0.5074	0.5068
4.8222	4.7698	4.8501	4.5034	4.4946	4.5185	4.4574
2.4343	2.4324	2.6331	2.3091	2.3481	2.3569	2.9378
0.3694	0.2735	0.3281	0.3066	0.3119	0.3121	0.3110
0.0458	0.0408	—	—	—	0.0001	—
0.2854	0.2806	0.2878	0.2815	0.2897	0.2935	0.2958
0.6320	0.6218	0.6117	0.5968	0.5980	0.5977	0.5887
0.1929	0.1873	0.1821	0.1798	0.1818	0.1789	0.1732
0.2911	0.2826	0.3326	0.2789	0.6179	0.6221	0.6189
0.1568	0.1527	0.1532	0.1530	0.1571	0.1583	0.1597
0.5044	0.5006	0.5164	0.4940	0.5042	0.5074	0.5068
4.5225	4.2801	4.3703	4.2595	4.2885	4.3308	4.3151
2.4343	2.4324	2.6331	2.3091	2.3481	2.3569	2.9378
0.3694	0.2735	0.3281	0.3066	0.3119	0.3121	0.3110
0.0458	0.0408	—	—	—	0.0001	—
0.2854	0.2806	0.2878	0.2815	0.2897	0.2935	0.2958
0.6320	0.6218	0.6117	0.5968	0.5980	0.5977	0.5887

**VILLAGE OF GURNEE, ILLINOIS**

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2023 (Unaudited)**

Taxpayer	2023			2014		
	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	\$ 52,863,226	1	4.13%	\$ 51,705,778	1	5.11%
Great America LLC	20,497,950	2	1.60%	23,997,600	2	2.37%
Breit MF Osprey Lake LLC	19,375,336	3	1.51%	14,562,705	3	1.44%
WH Pembroke Property Owner LLC	10,633,265	4	0.83%	12,355,701	4	1.22%
GWR Illinois Property Owner LLC	9,965,146	5	0.78%	9,375,964	5	0.93%
Wal-Mart Stores, Inc	9,672,147	6	0.76%	6,167,951	9	0.61%
Northside Community Bank	7,709,229	7	0.60%	6,343,791	8	0.63%
RH Woodlake LLC	7,366,581	8	0.58%	8,474,606	6	0.84%
Inland Western Gurnee, LLC	6,445,288	9	0.50%	7,829,118	7	0.77%
CV II Gurnee, LLC	5,978,501	10	0.47%	4,770,582	10	0.47%
	<u>150,506,669</u>		<u>11.76%</u>	<u>145,583,796</u>		<u>14.39%</u>

Data Source: Lake County Clerk, Tax Extension Office



**VILLAGE OF GURNEE, ILLINOIS**

**Taxable Sales by Category - Last Ten Calendar Years  
April 30, 2023 (Unaudited)**

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**See Following Page**

## VILLAGE OF GURNEE, ILLINOIS

### Taxable Sales by Category - Last Ten Calendar Years April 30, 2023 (Unaudited)

	2013	2014	2015*
General Merchandise	\$ 3,399,755	3,432,456	4,268,858
Food	665,162	790,574	1,164,903
Drinking & Eating	1,853,158	1,900,733	2,674,460
Apparel	1,773,377	1,775,780	2,328,231
Furniture & Fixtures	1,100,279	1,041,555	1,433,597
Lumber & Hardware	1,149,446	1,276,233	1,823,618
Auto & Filling Stations	2,656,420	2,677,339	2,471,248
Drugs & Other Retail	2,651,087	2,771,976	3,129,030
Agriculture & All Other	1,375,516	1,577,094	2,472,555
Manufacturers	282,231	283,231	400,537
Total	16,906,431	17,526,971	22,167,037

\*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

2016	2017	2018	2019	2020	2021	2022
3,195,744	2,975,184	3,037,724	2,905,827	2,469,593	3,076,884	3,205,200
2,028,064	2,154,589	2,235,415	2,223,591	2,373,489	2,545,945	2,861,012
2,819,326	2,743,373	2,835,860	3,079,566	2,101,950	2,951,895	3,425,740
2,336,877	2,213,383	2,285,281	2,245,206	1,470,521	2,427,328	2,311,622
1,414,274	1,457,322	1,528,640	1,560,219	1,401,367	1,706,196	1,469,480
1,856,506	1,954,914	1,918,510	1,629,185	1,912,716	2,100,225	2,203,911
2,308,323	2,292,389	2,617,213	2,670,356	2,374,522	3,026,469	2,751,172
3,501,734	3,301,705	3,180,934	2,871,814	2,781,063	4,819,886	4,787,456
2,185,444	2,298,991	2,277,340	2,228,073	1,235,598	2,309,369	2,488,548
409,185	402,566	409,788	427,767	332,319	443,104	421,172
22,055,477	21,794,416	22,326,705	21,841,604	18,453,138	25,407,301	25,925,313

**VILLAGE OF GURNEE, ILLINOIS**

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years  
April 30, 2023 (Unaudited)**

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Fiscal Year	Home Rule Sales Tax Rate	State Sales Tax Rate	Total Tax Rate
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%
2023	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, 2023 (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			
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
2023	—	—	—	4,178,939	—	4,178,939	0.27%	137

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, 2023 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less Amounts Available for Debt Service	Total Net Bonds	Percentage of Equalized Assessed Value of Property*	Per Capita **
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%	—
2023	—	—	—	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, 2023 (Unaudited)**

Governmental Unit	(1) Outstanding Debt (thousands)	(2) Percentage of Debt Applicable to Village	(3) Village's Share of Debt
Village of Gurnee	\$ —	100.00%	\$ —
Overlapping			
Gurnee Park District	15,119	97.31%	14,712
Waukegan Park District	27,986	1.63%	456
Warren Newport Library	4,020	57.50%	2,312
Lake County	199,109	4.44%	8,840
Lake County Forest Preserve	174,490	4.44%	7,747
Community College #532	114,879	4.68%	5,376
School District 60	25,917	0.04%	10
School District 50	87,576	50.70%	44,401
School District 56	25,934	56.23%	14,583
High School District 121	98,129	52.63%	51,645
Total Overlapping Debt	<u>773,159</u>		<u>150,082</u>
Total Direct and Overlapping Debt	<u><u>773,159</u></u>		<u><u>150,082</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, 2023 (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
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	0.0%
2021	103,071,718	2,778,024	100,293,694	2.7%
2022	104,539,102	5,277,482	99,261,620	5.0%
2023	110,362,375	—	110,362,375	0.0%

**Legal Debt Margin Calculation for Fiscal Year 2023**

Total Equalized Assessed Valuation - 2022	<u>\$ 1,279,563,765</u>
Debt Limit - 8.625% of Total EAV	110,362,375
Total Outstanding Debt	—
Less Debt Not Applicable to Debt Limit	—
Net Debt Applicable to Limit	<u>—</u>
Legal Debt Margin	<u>110,362,375</u>

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, 2023 (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
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%
2022	30,521	50,359	1,537,007,039	40.0	14.5	10,333	4.8%

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, 2023 (Unaudited)**

Employer	2023		2014		
	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, 2023 (Unaudited)**

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**VILLAGE OF GURNEE, ILLINOIS**

**Full-Time and Part-Time Employees by Function - Last Ten Fiscal Years**  
**April 30, 2023 (Unaudited)**

Function	2014	2015	2016
General Government			
Administration	12.85	13.75	14.75
Planning/Building	9.75	8.65	8.65
Engineering	6.80	6.25	7.25
Public Safety			
Fire	52.70	58.70	57.70
Police	80.00	80.00	79.00
Communications	13.75	14.95	14.95
Public Works			
Streets	16.20	16.60	16.60
Vehicle Maintenance	4.00	4.00	4.00
Utility	13.65	13.85	13.85
Totals	209.70	216.75	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.

2017	2018	2019	2020	2021	2022	2023
13.75	14.02	14.07	14.07	12.15	13.65	14.20
8.65	8.60	8.90	8.90	7.50	7.50	8.80
7.25	7.25	6.75	6.75	5.00	4.50	6.50
57.60	56.50	62.00	62.00	62.00	62.00	63.00
81.50	81.50	82.50	83.50	75.00	79.50	82.00
15.00	21.00	22.25	22.25	21.50	23.25	24.30
16.60	17.40	17.20	17.20	17.00	17.02	18.10
4.00	4.00	4.00	4.00	4.00	4.00	4.00
13.35	13.35	13.85	13.85	13.30	12.53	13.80
217.70	223.62	231.52	232.52	217.45	223.95	234.70

**VILLAGE OF GURNEE, ILLINOIS**

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

**April 30, 2023 (Unaudited)**

Function	2014	2015	2016	2017
<b>General Government</b>				
General Business Licenses Issued	1,149	1,155	1,162	1,150
Number of Commercial Units Constructed	4	5	5	5
Value of Commercial Construction	\$ 7,182,058	5,465,209	7,820,708	24,146,129
Number of Residential Units Constructed	7	4	8	22
Value of Residential Construction	\$ 2,379,380	956,623	2,549,629	4,391,360
<b>Public Safety</b>				
911 Calls	21,373	18,742	20,627	31,079
Police Responses (1)	65,003	72,056	63,893	66,538
Physical Arrests (3)	1,175	1,045	861	794
Traffic Citations Written	6,049	5,863	4,736	5,399
Parking Violations (3)	1,935	1,068	1,017	1,007
Fire Responses (2)	5,959	6,255	6,220	6,230
Emergency Medical Responses (3)	3,858	4,216	4,208	4,261
Fire Department Mutual Aid Responses (3)	557	581	533	562
<b>Streets &amp; Highways</b>				
Miles of Streets Resurfaced	3.8	3.8	—	3.8
Inches of Snowfall	70.9	41.8	30.8	35.4
Tons of Salt Used in Snow Plowing	4,033	1,884	1,799	1,891
Number of Parkway Trees Planted	213	120	141	168
<b>Utility</b>				
Number of Water Main Breaks (3)	30	34	25	32
Total Water Consumption (Millions of Gallons)	1,305	1,365	1,274	1,327
Number of Water Meters Replaced	201	128	93	135
Average Daily Consumption (Million of Gallons)	3.8	3.7	3.6	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.

2018	2019	2020	2021	2022	2023
1,162	1,137	1,188	1,125	1,235	1,132
5	6	2	4	5	2
7,365,000	14,749,943	14,564,250	16,660,344	17,161,153	7,315,300
49	21	3	3	2	4
7,404,761	3,386,410	481,930	866,400	654,934	1,271,180
36,350	37,415	27,884	29,543	42,985	35,907
71,241	71,315	70,269	60,797	64,142	58,284
703	693	654	366	408	482
5,413	5,047	4,323	3,615	3,460	4,119
1,646	1,644	1,125	986	728	609
6,819	7,047	6,871	6,347	7,408	7,998
4,542	4,574	4,555	4,115	5,244	5,836
646	573	519	486	475	532
3.6	3.8	4.7	2.4	2.0	2.0
33.0	52.5	25.5	42.0	22.0	35.0
2,766	3,595	2,421	2,635	2,061	2,820
120	190	102	67	68	142
34	33	23	25	37	19
1,254	1,290	1,226	1,125	1,508	1,287
63	154	86	82	220	220
3.4	3.5	3.4	3.1	4.0	3.5

**VILLAGE OF GURNEE, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
April 30, 2023 (Unaudited)**

Function	2014	2015	2016	2017
<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	1,691
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	184
Miles of Sanitary Sewers	140	140	140	141
Miles of Storm Sewers - Village	135	135	135	137
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	403	403	403	403

Data Source: Various Village Departments



2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
2	2	2	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
118	118	118	120	120	120
17	17	17	17	17	17
33	33	33	33	33	33
24	24	24	24	24	24
1,691	1,742	1,742	1,727	1,730	1,732
459	463	463	463	463	465
23	23	23	32	32	32
20	302	302	302	302	302
35	35	36	43	43	43
184	179	179	182	184	184
141	143	143	142	145	145
137	135	135	135	137	137
26	26	26	67	67	67
5	6	6	8	8	8
8	8	8	8	8	8
2	2	2	2	2	2
1	1	1	1	1	1
403	450	450	450	450	450

VILLAGE OF GURNEE, ILLINOIS  

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MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2023

325 North O'Plaine Road  
Gurnee, Illinois 60031-2636  
Phone: 847-599-7500  
Fax: 847-623-9475  
[www.gurnee.il.us](http://www.gurnee.il.us)



December 6, 2023

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

In planning and performing our audit of the financial statements of the Village of Gurnee (the Village), Illinois, for the year ended April 30, 2023, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board, Village Administrator and senior management of the Village of Gurnee, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Village personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well-prepared audit package, and we appreciate the courtesy and assistance given to us by the entire Village staff.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

## CURRENT RECOMMENDATIONS

### 1. **GASB STATEMENT NO. 94 PRIVATE-PUBLIC AND PUBLIC-PUBLIC PARTNERSHIPS AND AVAILABILITY PAYMENT ARRANGEMENTS**

#### Comment

In March 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which provides guidance regarding the information needs of financial statement users by improving the comparability of financial statements among governments that enter into public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs) and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. A PPP is an arrangement in which a government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definitions Service Concession Arrangements (SCAs) if (a) the operator collects and is compensated by fees from third parties, (b) the transferor (government) determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services, and (c) the transferor (government) is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. An APA is an arrangement in which a government compensates an operator for activities that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is applicable to the Village's financial statements for the year ended April 30, 2024.

#### Recommendation

Lauterbach & Amen, LLP will work directly with the Village to review the new criteria associated with PPPs and PPA's to determine the appropriate financial reporting for these activities under GASB Statement No. 94.

#### Management's Response

Management acknowledges this comment and, if applicable, will work to implement it when required by GASB.

### 2. **GASB STATEMENT NO. 96 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

#### Comment

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) by governments. It establishes uniform accounting and financial reporting requirements for SBITAs, improves the comparability of financial statements among governments that have entered into SBITAs, and enhances the understandability, reliability, relevance, and consistency of information about SBITAs. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* is applicable to the Village's financial statements for the year ended April 30, 2024.

## **CURRENT RECOMMENDATIONS - Continued**

### **2. GASB STATEMENT NO. 96 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS - Continued**

#### Recommendation

Lauterbach & Amen, LLP will work directly with the Village to review the new SBITA criteria in conjunction with the Village's current arrangements to determine the appropriate financial reporting for these activities under GASB Statement No. 96.

#### Management's Response

Management acknowledges this comment and, if applicable, will work to implement it when required by GASB.

### **3. GASB STATEMENT NO. 100 ACCOUNTING CHANGES AND ERROR CORRECTIONS**

#### Comment

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, *Accounting Changes and Error Corrections*, which establishes accounting and financial reporting requirements for (a) accounting changes, and (b) the correction of an error in previously issued financial statements (error correction). Accounting changes are (a) changes in accounting principle, (b) changes in accounting estimates, or (c) changes to or within the financial reporting entity. Error corrections are (a) errors from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were issued, or (b) a change from (i) applying an accounting principle that is not generally accepted to transactions or other events that previously were significant to (ii) applying a generally accepted accounting principle to those transactions or other events is an error correction. GASB Statement No. 100 requires that (a) changes in accounting principal and error corrections are reported retroactively, (b) changes in accounting estimates are reported prospectively, and (c) changes to or within the financial reporting entity should be reported by adjusting the current reporting period's beginning net position, fund balance, or fund net position, as applicable, for the effect of the change as if the change occurred as of the beginning of the reporting period. GASB Statement No. 100, *Accounting Changes and Error Corrections* is applicable to the Village's financial statements for the year ended April 30, 2025.

#### Recommendation

Lauterbach & Amen, LLP will work directly with the Village to review any accounting changes or error corrections to determine the appropriate financial reporting for these activities under GASB Statement No. 100.

#### Management's Response

Management acknowledges this comment and, if applicable, will work to implement it when required by GASB.

## CURRENT RECOMMENDATIONS - Continued

### 4. GASB STATEMENT NO. 101 COMPENSATED ABSENCES

#### Comment

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, *Compensated Absences*, which establishes standards of accounting and financial reporting for (a) compensated absences, and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). The statement requires that a liability should be recognized for any type of leave that has not been used at year-end if (a) The leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Examples of leave that should be reviewed, and potentially measured under GASB Statement No. 101 are vacation leave, paid time off leave, holiday leave, and sick leave. Examples of leave that are excluded from GASB Statement No. 101 are parental leave, military leave, and jury duty leave. GASB Statement No. 101, *Compensated Absences* is applicable to the Village's financial statements for the year ended April 30, 2025.

#### Recommendation

Lauterbach & Amen, LLP will work directly with the Village to review the new compensated absences and associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits criteria to determine the appropriate financial reporting for these activities under GASB Statement No. 101.

#### Management's Response

Management acknowledges this comment and, if applicable, will work to implement it when required by GASB.

## PRIOR RECOMMENDATIONS

### 1. GASB STATEMENT NO. 87 LEASES

#### Comment

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. In accordance with GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which was issued as temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 87, *Leases* is applicable to the Village's financial statements for the year ended April 30, 2023.

#### Recommendation

Lauterbach & Amen, LLP will work directly with the Village to review the new lease criteria in conjunction with the Village's current leases to determine the appropriate financial reporting for these activities under GASB Statement No. 87.

#### Status

This comment has been implemented and will not be repeated in the future.

### 2. COMMINGLED CASH

#### Comment

Previously, we noted that the Village's commingled cash allocations between various funds resulted in significant positive and negative cash balances. For example, as of April 30, 2022, the Village's General Pooled Account had a book balance of \$30,079,315. This was allocated to the funds as follows:

Fund	Balance April 30 2022
General	\$ 13,586,195
Motor Fuel Tax	(530,743)
Impact	(149,989)
Asset Forfeiture	208,308
Capital Improvement	10,563,110
Fleet Services	275,801
Golf Course	276,533
Water and Sewer	<u>5,850,100</u>
Total	<u><u>30,079,315</u></u>

There are many advantages to cash commingling, such as increasing the funds available for investment opportunities. However, the allocation process should represent accurately each funds' percentage ownership of the cash balance.

## **PRIOR RECOMMENDATIONS - Continued**

### **2. COMMINGLED CASH - Continued**

#### Recommendation

We recommended that the Village review the process for allocation of the commingled cash balances and adjust the balances as appropriate.

#### Status

This comment has been implemented and will not be repeated in the future.