

# Financial Status Report

1<sup>st</sup> Quarter FY 2023-2024

May 1, 2023 – July 31, 2023

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Introduction

Elected Officials

- Thomas B. Hood – Mayor
- Andy Harris – Village Clerk
- Jeanne Balmes – Trustee
- Greg Garner – Trustee
- Quin O’Brien – Trustee
- Cheryl Ross – Trustee
- Karen Thorstenson – Trustee
- Kevin Woodside - Trustee

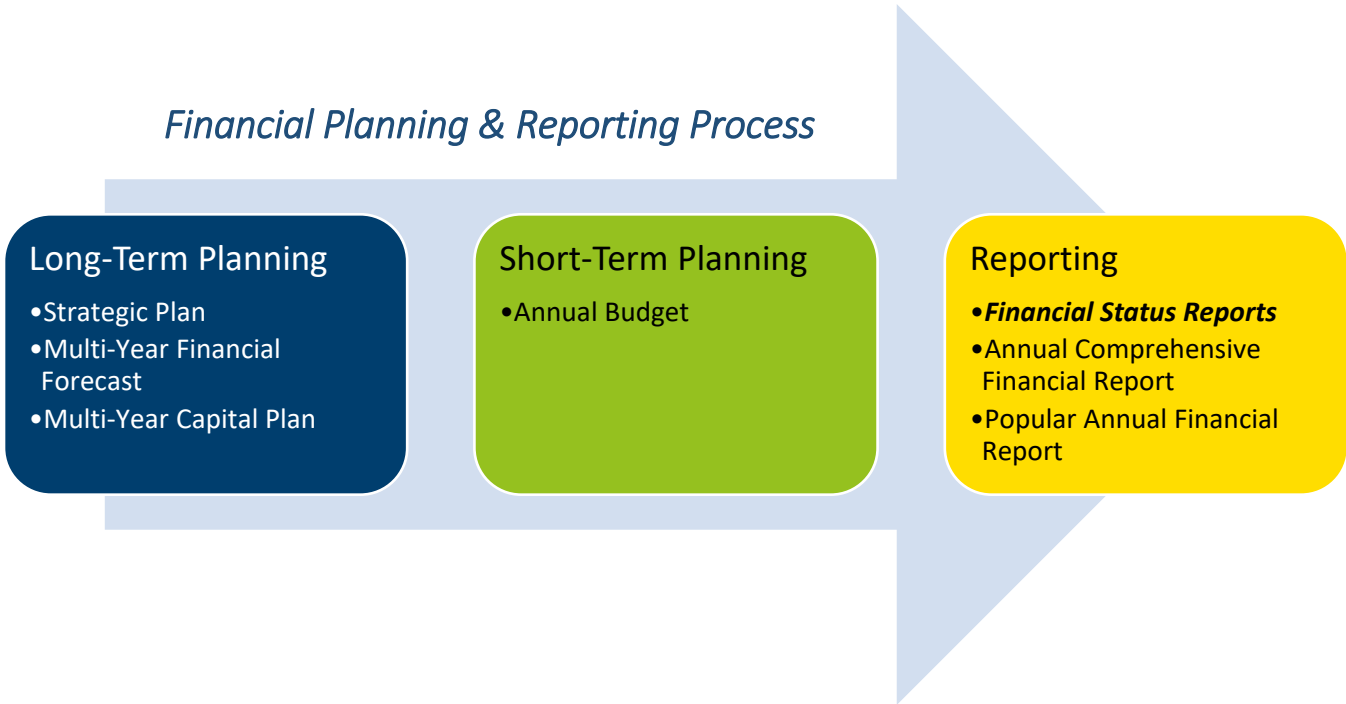
This Financial Status Report is intended to provide readers with a summary of the Village’s financial status on a quarterly basis. Regular financial reporting is important to share information with stakeholders as well as provide a vehicle to identify any irregularities that may need to be addressed. Regular reporting is one part of the Village’s overall planning and reporting process outlined in the graphic below.

The enclosed Financial Status Report is presented on a Budget Basis. Budget Basis means the report is prepared on the same basis as the Village’s budget, which differs from the basis of which the Village’s Annual Comprehensive Financial Report (ACFR) is prepared. The ACFR fund financial statements are prepared on a modified accrual basis of accounting and include adjustments for short-term assets, liabilities, revenues and expenses that can be measured but not yet received, incurred or available for use. The Village budget is largely prepared on a cash basis in which revenues are recorded when received and expenditures when paid. One notable exception is Water & Sewer charges for service. These charges are recognized when

billed to the customer rather than when collected.

Information contained in the report largely compares the fiscal year actual to fiscal year budget or prior year actual performance. The term “variance” is used to refer to the differences between these figures. For example, through the 1st quarter, 25% of the fiscal year is complete and thus we would expect 25% of revenue to be received or expenditures spent for each fund or classification. In situations where a significant variance between the percentages of the year completed and revenues or expenditures to date, explanations are provided.

Financial Planning & Reporting Process



## Cash & Investments

The Village's Cash & Investments are governed by the Public Funds Investment Act (30 ILCS 235) and the Village Investment Policy. Priority is placed on safety and liquidity over investment income. Balances exclude the 307 - Police Pension & 308 - Fire Pension Funds which are managed by separate boards under separate statutory authority, and the 411 - Northeast Lake County Emergency Telephone Systems Board Fund. The Village utilizes the 91 day t-bill rate as a yield benchmark.

Cash & Investments Summary by Fund		
Total \$48,082,051		
110 - General Fund	\$29,880,250	62%
121 - 911 Fund	-\$61,830	0%
122 - Motor Fuel Tax Fund	\$651,603	1%
123 - Impact Fee Fund	\$243,678	1%
124 - PD Restricted Revenue Fund	\$358,188	1%
131 - Capital Improvement Fund	\$7,686,545	16%
211 - Golf Course Fund	\$397,957	1%
221 - Water & Sewer Operating Fund	\$5,120,488	11%
223 - Water & Sewer Capital Fund		
231 - Health Insurance Fund	-\$139,259	0%
233 - Fleet Services Fund	\$1,426,671	3%
411 - NLCC-ETSB	\$2,517,762	5%

### *By Fund*

The graphic to the left shows the eleven different funds for which the Village is responsible for managing cash and investments. The Water & Sewer Operating and Capital Funds are combined. It is possible for Funds to be negative based on the timing of revenues & expenditures throughout the year. For example, the 121 – 911 Fund makes expenditures throughout the year and is reimbursed quarterly from the Northeast Lake County Consolidated Emergency Telephone Systems Board on a quarterly basis.

Cash & Investments Summary by Liquidity		
Total \$48,082,052		
Checking/Savings Accounts	\$8,461,709	18%
Money Market/LGIP	\$24,806,328	52%
Short-Term Investments	\$14,808,114	31%
Petty Cash/Cash on Hand	\$5,901	0%

### *By Liquidity*

The Village maintains funds in a variety of accounts, from on-hand petty cash to short-term investments managed by an investment advisor. The amount held in each type of account depends on the cash flow needs throughout the year and potential emergency needs. Liquidity is important so that funds may be accessed as needed to make large payments to vendors for capital projects for example. In a normal operating and interest

Cash & Investments Summary by Institution		
Total \$48,082,052		
Village Departments	\$5,901	0%
Gurnee Bank (Checking & Money Market)	\$23,841,289	50%
Illinois Funds	\$9,426,748	20%
Schwab Investment Account	\$8,838,336	18%
5/3rd Securities Inc.	\$5,969,778	12%

rate environment the Village targets roughly a third of the portfolio in each of the categories with a small amount held for petty cash purposes.

### *By Financial Institution*

The Village maintains contractual relationships with a primary banking services provider (Gurnee Bank) for day to day banking needs, and two independent investment advisors (Sawyer Falduto Asset Management LLC, and 5/3<sup>rd</sup> Securities Inc.) to manage short-term investment of idle balances. The Village has had a long-standing relationship with the Illinois Funds which is a local government investment pool (LGIP) managed by the Illinois State Treasurer's Office.

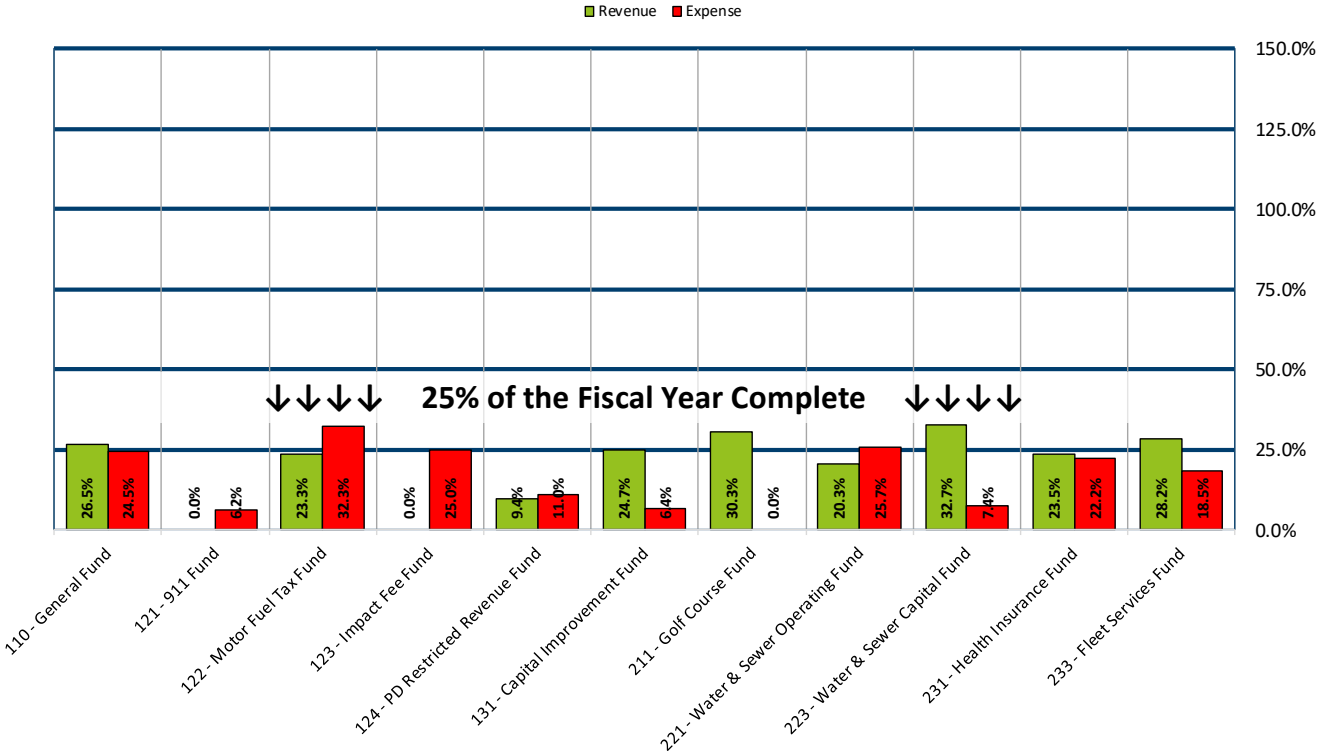


All Funds Summary

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 of Gurnee, like other local governments, uses Fund accounting to ensure and demonstrate compliance with finance-related legal requirements. To get an idea of how each individual Fund is doing at the highest level, comparing revenues and expenses to budget can be useful. This chart shows each Fund’s budgeted and actual revenues and expenses along with budgeted and actual surplus or deficit. Many of the Village’s Funds have transactions that are seasonal in nature such as the 131 – Capital Improvement Fund where most of the activity occurs in the summer construction months. This report focuses on the 110 – General Fund and 221/223 – Water & Sewer Fund as these are the two primary operating Funds of the Village. Discussion on significant budget variances for major Governmental Funds and the Water & Sewer Fund can be found in more detail in the individual Fund sections. The graphic below shows budget to actual information for all funds in summary.

Fund	Revenue			Expense			Revenue +/- Expense	
	FY24 Budget	FY24 Actual	% of Budget	FY24 Budget	FY24 Actual	% of Budget	FY24 Budget	FY24 Actual
Total All Funds	\$92,026,819	\$17,853,441	19.4%	\$93,399,821	\$18,967,164	20.3%	-\$1,373,002	-\$1,113,722
Total Governmental Funds	\$57,984,263	\$14,797,819	25.5%	\$62,970,863	\$13,467,719	21.4%	-\$4,986,600	\$1,330,100
110 - General Fund	\$49,086,397	\$13,026,186	26.5%	\$49,086,397	\$12,020,317	24.5%	\$0	\$1,005,870
121 - 911 Fund	\$1,542,366	\$0	0.0%	\$1,542,366	\$95,105	6.2%	\$0	(\$95,105)
122 - Motor Fuel Tax Fund	\$1,402,000	\$327,049	23.3%	\$2,000,000	\$645,791	32.3%	(\$598,000)	(\$318,742)
123 - Impact Fee Fund	\$0	\$0	0.0%	\$150,000	\$37,500	25.0%	(\$150,000)	(\$37,500)
124 - PD Restricted Revenue Fund	\$178,500	\$16,780	9.4%	\$426,700	\$47,135	11.0%	(\$248,200)	(\$30,355)
131 - Capital Improvement Fund	\$5,775,000	\$1,427,804	24.7%	\$9,765,400	\$621,872	6.4%	(\$3,990,400)	\$805,932
Total Proprietary Funds	\$18,314,600	\$4,156,446	22.7%	\$21,487,176	\$4,138,264	19.3%	-\$3,172,576	\$18,182
211 - Golf Course Fund	\$58,000	\$17,583	30.3%	\$25,000	\$0	0.0%	\$33,000	\$17,583
221 - Water & Sewer Operating Fund	\$9,596,200	\$1,944,304	20.3%	\$7,685,741	\$1,976,981	25.7%	\$1,910,459	(\$32,677)
223 - Water & Sewer Capital Fund	\$50,000	\$16,360	32.7%	\$5,252,500	\$386,065	7.4%	(\$5,202,500)	(\$369,705)
231 - Health Insurance Fund	\$5,380,500	\$1,266,646	23.5%	\$5,380,500	\$1,193,157	22.2%	\$0	\$73,489
233 - Fleet Services Fund	\$3,229,900	\$911,553	28.2%	\$3,143,435	\$582,061	18.5%	\$86,465	\$329,492

Revenues & Expenses as a % of Budget



## 110 – General Fund

The 110 - General Fund is the primary operating fund of the Village and accounts for the vast majority of non-water & sewer related activity. Activities accounted for in the General Fund include Police, Fire, Public Works (non-Water & Sewer), Community Development and Administration. The chart below shows two years of historical actual data and current year budget and actual data. The arrows signify a significant (+/- 5%) variance from budget. Green arrows are at or above the year-to-date budget, yellow arrows indicate a negative variance of less than 5% of budget and red arrows indicate a negative variance of greater than 5% of budget.

110 - General Fund							
	FY 2021/2022 Actual	FY 2022/2023 Actual	FY 2023/2024 Budget	FY 2023/2024 YTD Actual	FY 2023/2024 Budget vs. Actual	% of Budget	
<b>Revenues</b>	<b>\$51,692,924</b>	<b>\$49,226,382</b>	<b>\$49,086,397</b>	<b>\$13,049,054</b>	<b>(\$36,037,343)</b>	<b>26.6%</b>	
30 - Major Revenues	\$28,283,190	\$29,277,705	\$28,270,000	\$7,184,036	(\$21,085,964)	↑ 25.4%	0-20% ↓
31 - Taxes	\$2,163,180	\$2,237,241	\$2,107,450	\$642,502	(\$1,464,949)	↑ 30.5%	
32 - Licenses & Permits	\$1,002,960	\$1,095,187	\$1,345,000	\$178,852	(\$1,166,148)	↓ 13.3%	20-25% →
33 - Intergovernmental	\$10,998,007	\$6,749,910	\$6,609,960	\$2,068,124	(\$4,541,836)	↑ 31.3%	
34 - Charges for Services	\$8,144,311	\$8,063,125	\$8,710,987	\$2,382,615	(\$6,328,372)	↑ 27.4%	>=25% ↑
35 - Fines & Forfeitures	\$1,376,299	\$1,094,672	\$1,106,000	\$234,316	(\$871,684)	→ 21.2%	
36 - Invests & Contribs	(\$360,379)	\$480,640	\$787,000	\$316,081	(\$470,919)	↑ 40.2%	
39 - Other Sources	\$85,356	\$227,902	\$150,000	\$42,528	(\$107,472)	↑ 28.4%	
<b>Expenditures</b>	<b>\$45,415,713</b>	<b>\$50,135,760</b>	<b>\$49,086,397</b>	<b>\$12,400,653</b>	<b>\$36,685,744</b>	<b>25.3%</b>	
41 - Salaries & Wages	\$22,575,269	\$24,014,839	\$26,505,470	\$5,694,549	\$20,810,920	↑ 21.5%	
42 - Employee Benefits	\$11,760,249	\$7,848,550	\$8,418,266	\$2,784,461	\$5,633,805	↓ 33.1%	> 30% ↓
43 - Prof & Tech Services	\$1,107,730	\$1,081,201	\$1,245,185	\$192,813	\$1,052,372	↑ 15.5%	
44 - Contractual Services	\$1,212,887	\$1,432,257	\$1,899,468	\$634,910	\$1,264,558	↓ 33.4%	25-30% →
45 - Other Cont. Services	\$1,113,737	\$1,345,926	\$1,443,783	\$633,902	\$809,881	↓ 43.9%	
46 - Supplies	\$623,805	\$982,993	\$1,026,475	\$86,474	\$940,001	↑ 8.4%	<=25% ↑
47 - Capital	\$0	\$0	\$0	\$0	\$0	↑ 0.0%	
48 - Debt Service	\$0	\$0	\$0	\$0	\$0	↑ 0.0%	
49 - Other Financing Uses	\$7,022,035	\$13,429,994	\$8,547,750	\$2,373,544	\$6,174,206	→ 27.8%	
<b>Surplus/(Deficit)</b>	<b>\$6,277,212</b>	<b>(\$909,378)</b>	<b>\$0</b>	<b>\$648,400</b>			

### Revenues

Notable and significant variances from budget (-5%, indicated by red arrows in the graphic) include:

- **32 – Licenses & Permits** is under budget due to the timing of business and liquor licenses.

### Expenditures

Notable and significant variances from budget (+5%, indicated by red arrows in the graphic) include:

- **42 – Employee Benefits** is over budget due to the timing of workers compensation premiums.
- **44 – Contractual Services** is over budget due to the timing of seasonal maintenance and annual subscription services.
- **45 – Other Contractual Services** is over budget due to the timing of property, liability and auto insurance premiums.

## 30 - Major Revenues

30 – Major Revenues consists of Sales Tax, Amusement Tax, Food & Beverage Tax, Hotel Tax, Income Tax and Local Use Tax. Combined these revenues make up roughly 68% of the General Fund and are the most economically sensitive revenue streams the Village relies on for operations. The charts below show Major Revenues in total and individually by month for the last 5-years. The charts include three comparisons described in further detail below:

- **YTD Versus 5-Year Average** – This indicator shows actual collections through the current quarter this fiscal year versus the average of the same timeframe the last five fiscal years. This variance can be helpful to identify any longer range variances where a single fiscal year was abnormally impacted by factors such as the COVID-19 Pandemic.
- **YTD Versus Last Year** – This indicator shows actual collections through the current quarter this fiscal year versus the immediately preceding fiscal year. This variance can be helpful to identify any year to year variances.
- **YTD Versus Seasonally Adjusted Budget** – This indicator shows actual collections through the current quarter this fiscal year versus the year-to-date budget adjusted for seasonality. Seasonality is determined based on the percentage of revenues collected for the same timeframe in the preceding fiscal year. This variance can be helpful to identify where current revenues stand versus budget taking into account seasonal factors such as sales tax over the holiday season, or the operating season of Six Flags Great America.
- Receipt months with COVID restrictions or impact noted in ***Bold Italics***
- ***The YoY Trend*** columns to the right represent the year over year trend for the last 5-years. A green circle signifies a positive variance from the previous year, a red circle is a negative variance.

Major Revenues Dashboard			
Revenue	YTD vs. 5-Year Average	YTD vs. Last Year	YTD vs. Adjusted Budget
Total			
Sales Tax (MST & HMR)			
Amusement Tax			
Food & Beverage Tax			
Hotel Tax			

Major Revenues (Sales, Amusement, Food & Beverage, Hotel Taxes)							
Receipt Month	FY2018-2019	FY2019-2020	FY2020-2021	FY2021-2022	FY2022-2023	FY2023-2024	YoY Trend
May	\$1,963,000	\$1,663,249	<i>\$1,294,309</i>	<i>\$1,564,961</i>	\$1,926,864	\$2,091,872	
Jun	\$1,924,945	\$2,009,424	<i>\$1,353,228</i>	<i>\$2,338,655</i>	\$2,329,972	\$2,365,622	
Jul	\$2,142,731	\$2,238,998	<i>\$964,818</i>	<i>\$2,582,481</i>	\$2,877,037	\$2,726,542	
Aug	\$2,483,464	\$2,418,974	<i>\$1,175,000</i>	<i>\$2,926,160</i>	\$2,866,523	\$0	
Sep	\$2,514,011	\$2,714,261	<i>\$1,485,792</i>	<i>\$2,883,944</i>	\$2,768,207	\$0	
Oct	\$2,383,729	\$2,191,329	<i>\$1,578,963</i>	\$2,459,625	\$2,423,536	\$0	
Nov	\$2,201,273	\$2,263,423	<i>\$1,564,478</i>	\$2,532,511	\$2,737,985	\$0	
Dec	\$1,885,215	\$1,847,183	<i>\$1,561,521</i>	\$2,146,091	\$2,253,127	\$0	
Jan	\$1,885,651	\$1,998,594	<i>\$1,560,467</i>	\$2,197,377	\$2,262,462	\$0	
Feb	\$1,925,676	\$1,873,626	<i>\$1,480,154</i>	\$2,097,239	\$1,996,279	\$0	
Mar	\$2,267,113	<i>\$2,202,943</i>	<i>\$1,989,539</i>	\$2,472,988	\$2,725,569	\$0	
Apr	\$1,449,112	<i>\$1,405,609</i>	<i>\$1,547,320</i>	\$1,904,013	\$1,926,435	\$0	
Total YTD Actual	\$25,025,918	\$24,827,613	\$17,555,589	\$28,106,045	\$29,093,998	\$7,184,036	
Annual Budget	\$24,898,625	\$25,025,000	\$22,757,500	\$26,205,000	\$28,270,000	\$28,270,000	
Over/(Under) Budget	\$127,293	(\$197,387)	(\$5,201,911)	\$1,901,045	\$823,998	(\$21,085,964)	
% of Budget	100.5%	99.2%	77.1%	107.3%	102.9%	25.4%	

YTD vs. 5-Year Average	
YTD Actual	\$7,184,036
5-Year Average	\$5,834,935
\$ Difference	\$1,349,102
% Difference	23.1%
\$ Difference Breakdown	
Sales Taxes	\$490,823
Amusement Tax	\$391,211
Food & Beverage Tax	\$219,579
Hotel Tax	\$247,488

YTD vs. Last Year	
YTD Actual	\$7,184,036
Last Year	\$7,133,874
\$ Difference	\$50,163
% Difference	0.7%
\$ Difference Breakdown	
Sales Taxes	(\$222,543)
Amusement Tax	\$142,551
Food & Beverage Tax	\$82,847
Hotel Tax	\$47,309

YTD vs. Seasonally Adjusted Budget	
YTD Actual	\$7,184,036
YTD Adj. Budget	\$6,915,535
\$ Difference	\$268,501
% Difference	3.9%
\$ Difference Breakdown	
Sales Taxes	(\$149,280)
Amusement Tax	\$217,856
Food & Beverage Tax	\$128,657
Hotel Tax	\$71,268

### Sales Tax

Items except food, drugs and titled property are subject to an 8.00% Sales Tax in Gurnee. The 8.00% rate includes a 1.00% Home Rule Sales Tax, 6.25% State Tax and 0.75% Regional Transportation Tax. The Village receives 1% of the state rate and 1% Home Rule Sales Tax rate within the corporate limits of the Village and certain internet sales as of March 1, 2021 based on the destination of the sale.

331301 - SALES TAX & 331303 - HOME RULE SALES TAX							
Sales/Receipt Month	FY2018-2019	FY2019-2020	FY2020-2021	FY2021-2022	FY2022-2023	FY2023-2024	YoY Trend
Feb/May	\$1,097,075	\$1,120,846	\$1,135,163	\$1,128,154	\$1,338,505	\$1,295,361	
Mar/Jun	\$1,431,016	\$1,423,798	\$1,117,695	\$1,697,533	\$1,649,215	\$1,531,475	
Apr/Jul	\$1,242,700	\$1,316,201	\$764,769	\$1,556,947	\$1,661,962	\$1,600,304	
May/Aug	\$1,507,267	\$1,481,322	\$985,858	\$1,773,938	\$1,732,485	\$0	
Jun/Sep	\$1,665,753	\$1,643,945	\$1,292,790	\$1,950,777	\$1,912,997	\$0	
Jul/Oct	\$1,564,828	\$1,481,795	\$1,305,856	\$1,794,315	\$1,735,654	\$0	
Aug/Nov	\$1,573,174	\$1,576,091	\$1,294,811	\$1,762,746	\$1,795,934	\$0	
Sep/Dec	\$1,472,655	\$1,386,379	\$1,365,218	\$1,671,973	\$1,696,680	\$0	
Oct/Jan	\$1,398,184	\$1,399,810	\$1,310,750	\$1,657,962	\$1,709,886	\$0	
Nov/Feb	\$1,538,217	\$1,466,682	\$1,304,776	\$1,698,210	\$1,710,399	\$0	
Dec/Mar	\$1,881,971	\$1,847,859	\$1,745,370	\$2,131,881	\$2,135,659	\$0	
Jan/Apr	\$1,051,709	\$1,063,035	\$1,145,607	\$1,269,088	\$1,362,722	\$0	
Total YTD Actual	\$17,424,549	\$17,207,763	\$14,768,664	\$20,093,525	\$20,442,099	\$4,427,140	
Annual Budget	\$17,480,000	\$17,300,000	\$16,543,750	\$18,675,000	\$20,120,000	\$20,120,000	
Over/(Under) Budget	(\$55,451)	(\$92,237)	(\$1,775,086)	\$1,418,525	\$322,099	(\$15,692,860)	
% of Budget	99.7%	99.5%	89.3%	107.6%	101.6%	22.0%	

YTD vs. 5-Year Average	
YTD Actual	\$4,427,140
5-Year Average	\$3,936,316
\$ Difference	↑ \$490,823
% Difference	12.5%

YTD vs. Last Year	
YTD Actual	\$4,427,140
Last Year	\$4,649,683
\$ Difference	↓ -\$222,543
% Difference	-4.8%

YTD vs. Seasonally Adjusted Budget	
YTD Actual	\$4,427,140
YTD Adj. Budget	\$4,576,419
\$ Difference	↓ -\$149,280
% Difference	-3.3%

### Amusement Tax

Effective May 1, 2018 the Village increased the tax on amusements from 3% to 4% on receipts within Village boundaries. The Village has approximately 11 Amusement Taxpayers. Prior to this increase, Amusement Tax had not been adjusted in nearly 20 years. The largest Amusement Tax generator is Six Flags Great America.

331601 - AMUSEMENT TAX							
Sales/Receipt Month	FY2018-2019	FY2019-2020	FY2020-2021	FY2021-2022	FY2022-2023	FY2023-2024	YoY Trend
Apr/May	\$670,890	\$214,312	\$69,779	\$131,641	\$189,142	\$327,477	
May/Jun	\$249,346	\$262,185	\$62,745	\$299,589	\$300,183	\$421,240	
Jun/Jul	\$566,301	\$491,570	\$73,485	\$626,845	\$751,173	\$634,331	
Jul/Aug	\$499,848	\$480,987	\$59,049	\$623,910	\$602,563	\$0	
Aug/Sep	\$393,025	\$618,494	\$58,392	\$501,474	\$408,480	\$0	
Sep/Oct	\$540,604	\$441,316	\$68,147	\$342,278	\$328,061	\$0	
Oct/Nov	\$313,989	\$341,358	\$46,621	\$436,306	\$545,527	\$0	
Nov/Dec	\$141,341	\$164,624	\$45,217	\$133,937	\$184,877	\$0	
Dec/Jan	\$159,322	\$266,577	\$91,645	\$160,425	\$132,972	\$0	
Jan/Feb	\$117,692	\$137,800	\$38,891	\$107,423	\$83,762	\$0	
Feb/Mar	\$84,043	\$103,704	\$38,970	\$33,376	\$92,621	\$0	
Mar/Apr	\$22,558	\$211,102	\$91,485	\$207,419	\$106,841	\$0	
Total YTD Actual	\$3,758,960	\$3,734,030	\$744,425	\$3,604,625	\$3,726,203	\$1,383,048	
Annual Budget	\$3,338,625	\$3,550,000	\$2,931,250	\$3,600,000	\$3,500,000	\$3,500,000	
Over/(Under) Budget	\$420,335	\$184,030	(\$2,186,825)	\$4,625	\$226,203	(\$2,116,952)	
% of Budget	112.6%	105.2%	25.4%	100.1%	106.5%	39.5%	

YTD vs. 5-Year Average	
YTD Actual	\$1,383,048
5-Year Average	\$991,837
\$ Difference	↑ \$391,211
% Difference	39.4%

YTD vs. Last Year	
YTD Actual	\$1,383,048
Last Year	\$1,240,498
\$ Difference	↑ \$142,551
% Difference	11.5%

YTD vs. Seasonally Adjusted Budget	
YTD Actual	\$1,383,048
YTD Adj. Budget	\$1,165,192
\$ Difference	↑ \$217,856
% Difference	18.7%



### Food & Beverage Tax

Food & Beverage Tax is 1% on meals prepared for immediate consumption as well as packaged liquor. The Village has approximately 135 Food & Beverage taxpayers. With the change in internet sales, the Village also collects Food & Beverage Tax from online delivery services such as Uber Eats and Grub Hub.

331609 - FOOD & BEVERAGE TAX							
Sales/Receipt Month	FY2018-2019	FY2019-2020	FY2020-2021	FY2021-2022	FY2022-2023	FY2023-2024	YoY Trend
Apr/May	\$140,861	\$149,832	\$72,494	\$159,904	\$184,336	\$213,196	
May/Jun	\$165,958	\$178,872	\$91,360	\$196,386	\$219,948	\$239,774	
Jun/Jul	\$228,206	\$223,577	\$104,503	\$231,931	\$252,603	\$286,763	
Jul/Aug	\$228,722	\$218,604	\$112,145	\$256,543	\$265,756	\$0	
Aug/Sep	\$210,808	\$215,984	\$116,545	\$227,495	\$232,465	\$0	
Sep/Oct	\$163,257	\$156,025	\$122,897	\$196,202	\$216,648	\$0	
Oct/Nov	\$165,237	\$175,408	\$130,881	\$183,890	\$229,076	\$0	
Nov/Dec	\$138,537	\$149,500	\$108,893	\$188,858	\$197,350	\$0	
Dec/Jan	\$175,283	\$179,861	\$137,431	\$200,411	\$220,793	\$0	
Jan/Feb	\$127,313	\$131,474	\$107,237	\$153,565	\$169,505	\$0	
Feb/Mar	\$122,645	\$114,553	\$132,457	\$158,612	\$186,953	\$0	
Mar/Apr	\$154,812	\$109,998	\$164,059	\$188,845	\$204,488	\$0	
Total YTD Actual	\$2,021,638	\$2,003,688	\$1,400,901	\$2,342,643	\$2,579,921	\$739,734	
Annual Budget	\$1,990,000	\$2,025,000	\$1,807,500	\$2,130,000	\$2,400,000	\$2,400,000	
Over/(Under) Budget	\$31,638	(\$21,312)	(\$406,599)	\$212,643	\$179,921	(\$1,660,266)	
% of Budget	101.6%	98.9%	77.5%	110.0%	107.5%	30.8%	

YTD vs. 5-Year Average	
YTD Actual	\$739,734
5-Year Average	\$520,154
\$ Difference	↑ \$219,579
% Difference	42.2%

YTD vs. Last Year	
YTD Actual	\$739,734
Last Year	\$656,887
\$ Difference	↑ \$82,847
% Difference	12.6%

YTD vs. Seasonally Adjusted Budget	
YTD Actual	\$739,734
YTD Adj. Budget	\$611,077
\$ Difference	↑ \$128,657
% Difference	21.1%

### Hotel Tax

Hotel Tax is 6% on room rentals and has bounced back versus last year and two years ago. The Village has approximately 12 Hotel taxpayers.

331607 - HOTEL TAX							
Sales/Receipt Month	FY2018-2019	FY2019-2020	FY2020-2021	FY2021-2022	FY2022-2023	FY2023-2024	YoY Trend
Apr/May	\$54,175	\$178,259	\$16,873	\$145,262	\$214,881	\$255,838	
May/Jun	\$78,625	\$144,569	\$81,427	\$145,145	\$160,625	\$173,133	
Jun/Jul	\$105,523	\$207,650	\$22,061	\$166,758	\$211,299	\$205,144	
Jul/Aug	\$247,627	\$238,062	\$17,948	\$271,769	\$265,719	\$0	
Aug/Sep	\$244,424	\$235,838	\$18,065	\$204,198	\$214,264	\$0	
Sep/Oct	\$115,040	\$112,193	\$82,064	\$126,830	\$143,174	\$0	
Oct/Nov	\$148,873	\$170,566	\$92,165	\$149,568	\$167,448	\$0	
Nov/Dec	\$132,682	\$146,679	\$42,194	\$151,322	\$174,221	\$0	
Dec/Jan	\$152,861	\$152,345	\$20,640	\$178,579	\$198,811	\$0	
Jan/Feb	\$142,453	\$137,670	\$29,250	\$138,042	\$32,612	\$0	
Feb/Mar	\$178,455	\$136,827	\$72,743	\$149,119	\$310,336	\$0	
Mar/Apr	\$220,033	\$21,474	\$146,169	\$238,660	\$252,384	\$0	
Total YTD Actual	\$1,820,771	\$1,882,133	\$641,598	\$2,065,253	\$2,345,776	\$634,115	
Annual Budget	\$2,090,000	\$2,150,000	\$1,475,000	\$1,800,000	\$2,250,000	\$2,250,000	
Over/(Under) Budget	(\$269,229)	(\$267,867)	(\$833,402)	\$265,253	\$95,776	(\$1,615,885)	
% of Budget	87.1%	87.5%	43.5%	114.7%	104.3%	28.2%	

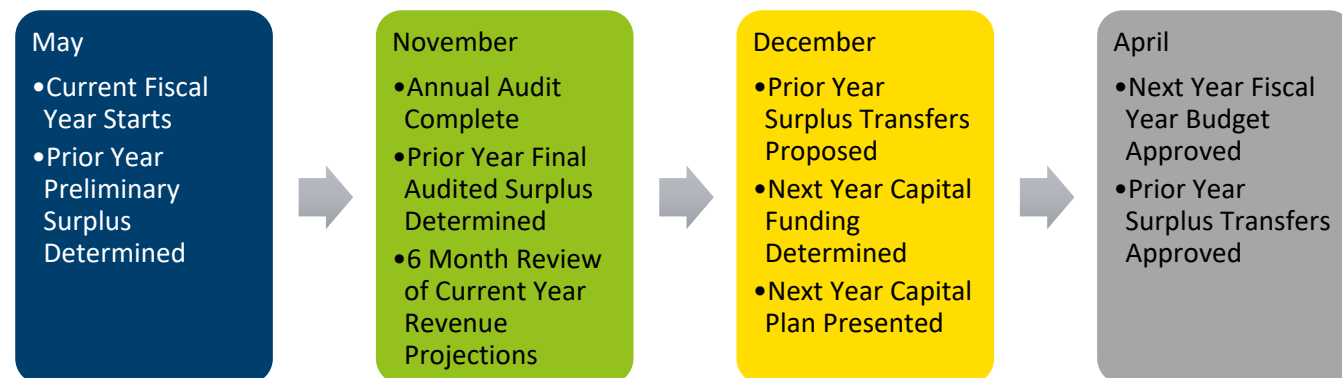
YTD vs. 5-Year Average	
YTD Actual	\$634,115
5-Year Average	\$386,627
\$ Difference	↑ \$247,488
% Difference	64.0%

YTD vs. Last Year	
YTD Actual	\$634,115
Last Year	\$586,806
\$ Difference	↑ \$47,309
% Difference	8.1%

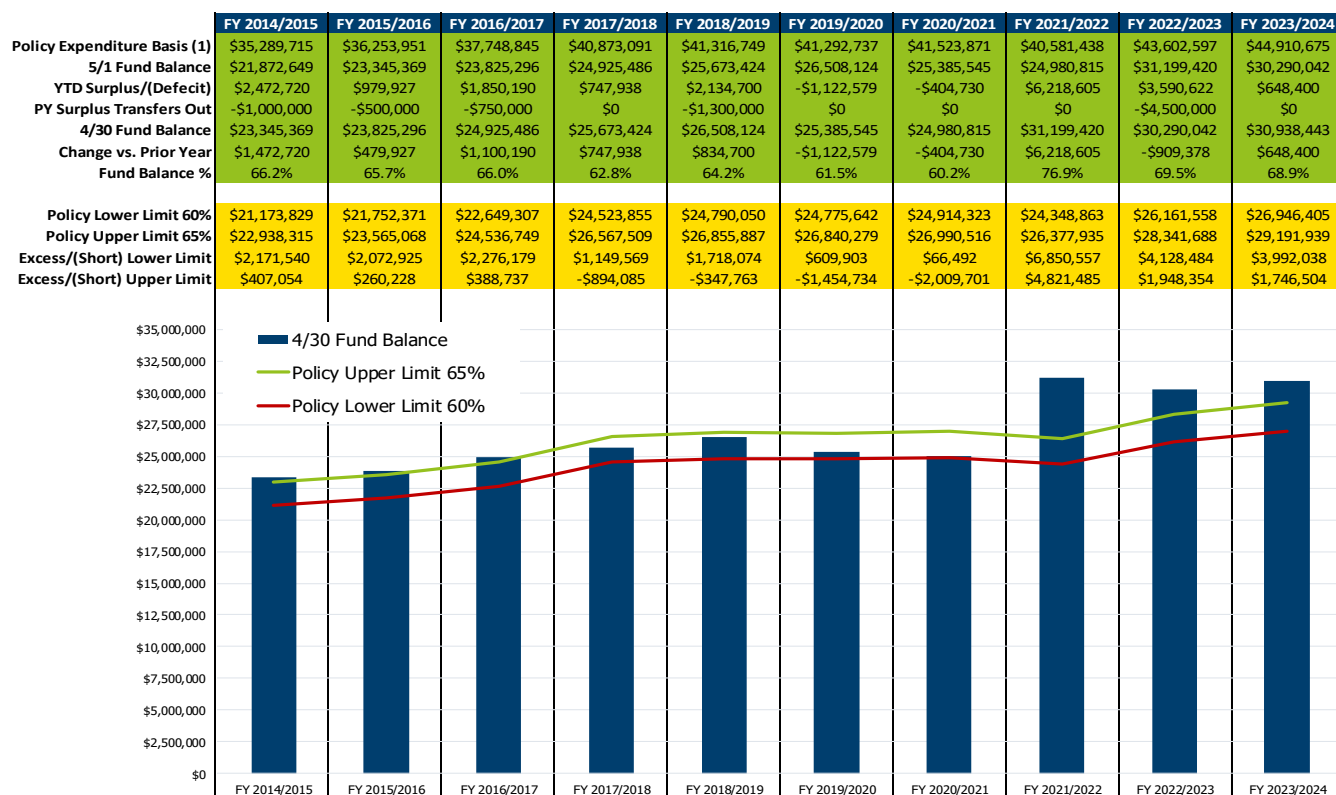
YTD vs. Seasonally Adjusted Budget	
YTD Actual	\$634,115
YTD Adj. Budget	\$562,847
\$ Difference	↑ \$71,268
% Difference	12.7%

## General Fund - Fund Balance

The Village relies heavily on economically sensitive revenues and does not levy a property tax. Fund Balance, commonly referred to as reserves or rainy day funds, are important to maintain operations in the event of a sudden economic downturn as was experienced with the COVID-19 pandemic. These funds allow the Village to make up for any shortfalls and “keep the doors open”. In accordance with the Village’s General Corporate Fund Balance Policy, an unassigned fund balance for the General Fund should at a minimum equal 60% of the subsequent year’s budgeted expenditures less transfers. Any balance over 65% may be transferred for capital or other obligations. Below is a graphic depicting the timing of determining the amount and use of any surplus balances.



The FY 2022/2023 ending unassigned fund balance is \$30.3 million or approximately 69.5% of FY 2023/2024 budgeted expenditures less transfers. This is well above the policy limit and insures against revenue interruptions. Excess FY 2021/2022 Fund balance of \$4.5 million was transferred to the Capital Improvement Fund (\$2.0 million), Water & Sewer Capital Fund (\$2.0 million) and Health Insurance Fund (\$500 thousand) at the end of FY2022/2023.



(1) Policy Expenditure basis is next year expenditure budget less transfers. If not known assumed growth of 5% in expenditures.

## 221&223 – Water & Sewer Funds

The 221 - Water & Sewer Operating and 223 – Water & Sewer Capital Funds account for activities related to operating the Village's Water & Sewer utility systems. Funding is primarily from user fees and connection charges. Expenses include personnel related expenses and contracts for purchase of Lake Michigan water from the Central Lake County Joint Action Water Agency. Sewer is conveyed to either Lake County or the North Shore Water Reclamation District. The 223 - Water & Sewer Capital Fund accounts for water & sewer system related capital and infrastructure maintenance and replacement. These Funds are combined in the graphic below to provide a complete picture of the financial position of the Water & Sewer Utility.

221 - Water & Sewer Operating Fund 223 - Water & Sewer Capital Fund							
	FY 2021/2022 Actual	FY 2022/2023 Actual	FY 2023/2024 Budget	FY 2023/2024 YTD Actual	FY 2023/2024 Budget vs. Actual	% of Budget	
<b>Total Revenues</b>	<b>\$9,813,495</b>	<b>\$11,774,995</b>	<b>\$9,646,200</b>	<b>\$2,162,746</b>	<b>(\$7,483,454)</b>	<b>22.4%</b>	
32 - Licenses & Permits	\$82,505	\$126,680	\$50,000	\$14,165	(\$35,835)	↑ 28.3%	0-20% ↓
34 - Charges for Services	\$9,597,534	\$9,399,510	\$9,418,200	\$2,058,433	(\$7,359,767)	→ 21.9%	20-25% →
35 - Fines & Forfeitures	\$116,917	\$129,784	\$100,000	\$34,150	(\$65,850)	↑ 34.2%	
36 - Invests & Contribs	\$6,805	\$114,366	\$70,000	\$49,087	(\$20,913)	↑ 70.1%	
39 - Other Sources	\$9,735	\$2,004,656	\$8,000	\$6,911	(\$1,089)	↑ 86.4%	>=25% ↑
<b>Total Expenditures</b>	<b>\$9,095,021</b>	<b>\$9,917,528</b>	<b>\$12,938,241</b>	<b>\$3,764,775</b>	<b>\$9,173,467</b>	<b>29.1%</b>	
41 - Salaries & Wages	\$1,050,054	\$1,083,856	\$1,287,689	\$244,884	\$1,042,805	↑ 19.0%	> 30% ↓
42 - Employee Benefits	\$733,954	\$436,473	\$458,191	\$266,879	\$191,312	↓ 58.2%	
43 - Prof & Tech Services	\$8,945	\$1,735	\$18,600	\$461	\$18,139	↑ 2.5%	25-30% →
44 - Contractual Services	\$3,172,282	\$2,751,437	\$3,064,653	\$750,147	\$2,314,506	↑ 24.5%	
45 - Other Cont. Services	\$221,179	\$235,743	\$232,261	\$102,883	\$129,378	↓ 44.3%	<=25% ↑
46 - Supplies	\$607,266	\$630,181	\$830,725	\$255,749	\$574,976	↓ 30.8%	
47 - Capital	\$1,627,513	\$2,548,560	\$4,675,000	\$1,534,930	\$3,140,070	↓ 32.8%	
48 - Debt Service	\$564,248	\$564,248	\$564,248	\$157,124	\$407,124	→ 27.8%	
49 - Other Financing Uses	\$1,109,580	\$1,665,295	\$1,806,875	\$451,719	\$1,355,156	↑ 25.0%	
<b>Surplus/(Deficit)</b>	<b>\$718,474</b>	<b>\$1,857,468</b>	<b>(\$3,292,041)</b>	<b>(\$1,602,029)</b>			
<b>Ending Cash Position</b>	<b>\$5,204,211</b>	<b>\$7,388,652</b>	<b>\$4,096,611</b>	<b>\$5,120,488</b>			
<b>% of Budgeted Expenditures</b>	<b>63.4%</b>	<b>90.1%</b>	<b>49.9%</b>	<b>62.4%</b>			

### Revenues

Notable and significant variances from budget (-5%, indicated by red arrows in the graphic) include:

- All categories are at or over budget.

### Expenditures

Notable and significant variances from budget (+5%, indicated by red arrows in the graphic) include:

- **42 – Employee Benefits** is over budget due to the timing of workers compensation premiums.
- **45 – Other Contractual Services** is over budget due to the timing of property, liability and auto insurance premiums.
- **46 – Supplies** is over due the timing of meter purchases.
- **47 – Capital** is over due to the timing of capital projects.

### Fund Balance

Proprietary Funds typically report Net Assets in place of traditional Fund Balance. Net Assets includes things like depreciable capital assets and does not give an accurate picture of current spendable resources. Therefore, cash balance is shown as an alternative which gives an idea of current available resources and is a better comparison to unrestricted Fund Balance in Governmental Funds.

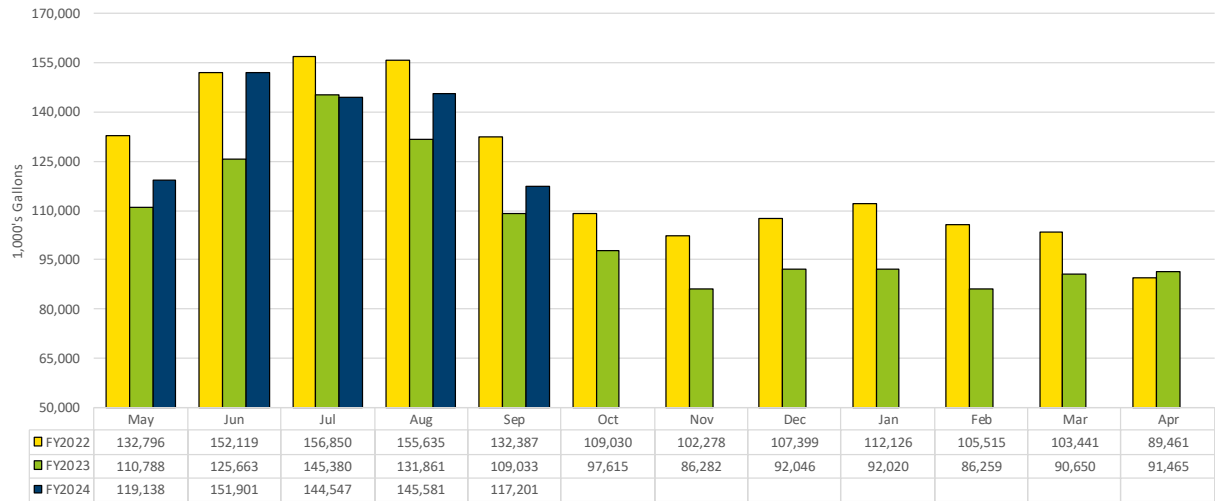
Water Usage

Water revenues or charges for service are driven largely by water demand and weather. The Village tracks water usage billed from the water provider CLCJAWA. This usage is billed in arrears to the Village customers on a bi-monthly basis. Water purchased from CLCJAWA is a leading indicator of revenues billed approximately two months later. The chart below shows water purchased from CLCJAWA and precipitation.

Usage vs. Last Year	Precipitation vs. Last Year
↑ 8.8%	↓ -48.4%

1,000's Gallons Purchased From CLCJAWA									
Month	FY2022		FY2023		FY2024		Usage Variances		Precipitation Variances
	Actual (1,000's Gallons)	Precipitation (inches)	Actual (1,000's Gallons)	Precipitation (inches)	Actual (1,000's Gallons)	Precipitation (inches)	Month vs. Prior Year	YTD vs. FY2023	Month vs. Prior Year
Total	1,459,037	24.97	1,259,062	30.59	678,368	13.66			
May	132,796	1.29	110,788	4.27	119,138	0.91	7.5%	7.5%	-78.7%
Jun	152,119	2.99	125,663	1.77	151,901	1.47	20.9%	14.6%	-16.9%
Jul	156,850	0.60	145,380	6.85	144,547	4.27	-0.6%	8.8%	-37.7%
Aug	155,635	3.29	131,861	4.39	145,581	2.48	10.4%	9.2%	-43.5%
Sep	132,387	1.70	109,033	5.65	117,201	4.53	7.5%	8.9%	-19.8%
Oct	109,030	7.49	97,615	2.05					
Nov	102,278		86,282						
Dec	107,399		92,046						
Jan	112,126		92,020						
Feb	105,515		86,259						
Mar	103,441	3.01	90,650	3.49					
Apr	89,461	4.60	91,465	2.12					

3-Year History of Gallons Purchased (1,000's)



## Other Major Governmental Funds

The **122 - Motor Fuel Tax Fund** accounts for proceeds from the state distributed motor fuel tax funds that are restricted to use for maintenance of roadways and transportation assets. The Motor Fuel Tax Fund is used to supplement the Village's annual road program.

122 - Motor Fuel Tax Fund						
	FY 2021/2022 Actual	FY 2022/2023 Actual	FY 2023/2024 Budget	FY 2023/2024 YTD Actual	FY 2023/2024 Budget vs. Actual	% of Budget
<b>Revenues</b>	<b>\$1,981,468</b>	<b>\$1,691,681</b>	<b>\$1,402,000</b>	<b>\$355,026</b>	<b>(\$1,046,974)</b>	<b>25.3%</b>
33 - Intergovernmental	\$1,979,384	\$1,595,773	\$1,327,000	\$352,155	(\$974,845)	↑ 26.5%
36 - Invests & Contribs	\$2,084	\$95,909	\$75,000	\$2,871	(\$72,129)	↓ 3.8%
<b>Expenditures</b>	<b>\$1,347,149</b>	<b>\$2,275,523</b>	<b>\$2,000,000</b>	<b>\$1,044,088</b>	<b>\$955,912</b>	<b>52.2%</b>
44 - Contractual Services	\$1,347,149	\$2,275,523	\$2,000,000	\$1,044,088	\$955,912	↓ 52.2%
47 - Capital	\$0	\$0	\$0	\$0	\$0	↑ 0.0%
<b>Beginning Fund Balance<sup>(1)</sup></b>	<b>\$511,924</b>	<b>\$1,146,243</b>	<b>\$562,401</b>	<b>\$562,401</b>		
<b>Surplus/(Deficit)</b>	<b>\$634,319</b>	<b>(\$583,842)</b>	<b>(\$598,000)</b>	<b>(\$689,063)</b>		
<b>Ending Fund Balance</b>	<b>\$1,146,243</b>	<b>\$562,401</b>	<b>(\$35,599)</b>	<b>(\$126,662)</b>		

(1) Fund Balance in Governmental Funds is Total Fund Balances

### Revenues

Notable and significant variances from budget (-5%, indicated by red arrows in the graphic) include:

- **36 - Investments & Contributions** is under budget due to less than anticipated interest income.

### Expenditures

Notable and significant variances from budget (+5%, indicated by red arrows in the graphic) include:

- **44 – Contractual Services** is over budget due to the timing of the road resurfacing program.

### Fund Balance

There is no formal policy for this Fund, however the Village strives to keep \$1m in reserves in the event other funding in the 131 – Capital Improvement Fund becomes unavailable, as was the case during the pandemic.



The **131 - Capital Improvement Fund** accounts for all non-Water & Sewer capital expenditures. Funding is derived primarily from 50% of the Village's Home Rule Sales Tax and transfers from other funds.

131 - Capital Improvement Fund						
	FY 2021/2022 Actual	FY 2022/2023 Actual	FY 2023/2024 Budget	FY 2023/2024 YTD Actual	FY 2023/2024 Budget vs. Actual	% of Budget
<b>Revenues</b>	<b>\$13,390,651</b>	<b>\$8,538,476</b>	<b>\$5,775,000</b>	<b>\$1,282,024</b>	<b>(\$4,492,976)</b>	<b>22.2%</b>
30 - Major Revenues	\$5,378,494	\$5,506,341	\$5,450,000	\$1,150,104	(\$4,299,896)	→ 21.1%
33 - Intergovernmental	\$0	\$19,146	\$25,000	\$0	(\$25,000)	↓ 0.0%
36 - Invests & Contribs	\$1,068,364	\$273,547	\$100,000	\$94,420	(\$5,580)	↑ 94.4%
39 - Other Sources	\$6,943,793	\$2,739,441	\$200,000	\$37,500	(\$162,500)	↓ 18.8%
<b>Expenditures</b>	<b>\$5,218,675</b>	<b>\$11,795,640</b>	<b>\$9,765,400</b>	<b>\$1,390,271</b>	<b>\$8,375,129</b>	<b>14.2%</b>
43 - Prof & Tech Services	\$115,164	\$267,750	\$415,000	\$85,234	\$329,766	↑ 20.5%
44 - Contractual Services	\$890,228	\$4,281,427	\$4,945,000	\$920,783	\$4,024,217	↑ 18.6%
47 - Capital	\$3,543,095	\$652,977	\$3,504,900	\$159,129	\$3,345,771	↑ 4.5%
48 - Debt Service	\$289,689	\$5,356,736	\$0	\$0	\$0	↑ 0.0%
49 - Other Financing Uses	\$380,500	\$1,236,749	\$900,500	\$225,125	\$675,375	→ 25.0%
<b>Beginning Fund Balance<sup>(1)</sup></b>	<b>\$4,342,149</b>	<b>\$12,514,124</b>	<b>\$9,256,961</b>	<b>\$9,256,961</b>		
<b>Surplus/(Deficit)</b>	<b>\$8,171,975</b>	<b>(\$3,257,164)</b>	<b>(\$3,990,400)</b>	<b>(\$108,248)</b>		
<b>Ending Fund Balance</b>	<b>\$12,514,124</b>	<b>\$9,256,961</b>	<b>\$5,266,561</b>	<b>\$9,148,713</b>		

(1) Fund Balance in Governmental Funds is Total Fund Balances

## Revenues

Notable and significant variances from budget (-5%, indicated by red arrows in the graphic) include:

- **33 – Intergovernmental** revenue is under budget due to the timing of grants for fire related equipment.
- **39 – Other Sources** is under budget due to timing of proceeds from the sale of assets.

## Expenditures

Notable and significant variances from budget (+5%, indicated by red arrows in the graphic) include:

- All categories are at or under budget.

## Fund Balance

There is no formal policy for this Fund, The Village strives to keep a balance in excess of \$1 million in the Fund for unanticipated capital items.

The Village maintains several other Funds to account for various activities and resources that may be restricted as to how they are used. Funds are broken into three categories and are described below.

### Non-Major Governmental Funds

The **121 – 911 Fund** accounts for the Village's portion of 911 related expenditures and reimbursement from the 411 – Northeast Lake County Consolidated Emergency Telephone Systems Board.

The **123 - Impact Fee Fund** accounts for fees collected from developers for necessary improvements made by the Village and money collected for county road improvements within the Village. The Village utilizes these funds for capital purposes.

The **124 - PD Restricted Revenue Fund** accounts for seized assets related to drug arrests. The Village receives a percentage of assets any time there is a drug arrest and assets are recovered. The money must be used for drug awareness and prevention. The Village utilizes these funds for capital purposes.

### Other Proprietary Funds

The **211 - Golf Course Fund** accounts for the initial purchase of Bittersweet Golf Course and the repayment of an initial operating loan to the contracted operator of the course GolfVisions. The arrangement is considered a public-private service concession arrangement under GASB Statement 60, and therefore only the initial asset and any payments from the operator are recorded in the Fund.

The **231 – Health Insurance Fund** accounts for expenditures related to the administration of the Village's health and wellness program which includes self-insured health, dental, and life insurance.

The **233 – Fleet Services Fund** accounts for expenditures related to the maintenance and replacement of the vehicle and equipment fleet. This includes the operation of the shop, parts, fuel and vehicle & equipment purchases.

### Fiduciary Funds

The **307 - Police Pension Fund** accounts for activity related to the Village's pension obligations for employees covered under ILCS Article 3 pension system. Funding comes from Employee and Employer contributions, and investment income.

The **308 - Fire Pension Fund** accounts for activity related to the Village's pension obligations for employees covered under ILCS Article 4 pension system. Funding comes from Employee and Employer contributions, and investment income.

The **411 – NLCC-ETSB Fund** accounts for activity related to the Northeast Lake County Consolidated Emergency Telephone Systems Board that consists of the Village and the City of Zion.

## Connect With the Village

Additional Financial Information can be found on the Village's website at the following links:

### **Strategic Plan**

<https://www.gurnee.il.us/government/transparency-portal/plans-goals/strategic-plan>

### **Multi-Year Financial Forecast**

<https://www.gurnee.il.us/government/departments/administration/finance/multi-year-financial-forecast>

### **Multi-Year Capital Plan**

<https://www.gurnee.il.us/government/departments/administration/finance/multi-year-capital-plan>

### **Budgets**

<https://www.gurnee.il.us/government/departments/administration/finance/annual-budget>

### **Financial Status Reports**

<https://www.gurnee.il.us/government/departments/administration/finance/financial-status-reports>

### **Annual Comprehensive Financial Reports (Audit)**

<https://www.gurnee.il.us/government/departments/administration/finance/comprehensive-annual-financial-report-audit>



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### ***Village Hall***

325 N. O'Plaine Road  
(847) 599-7500 (Administration)  
(847) 599-7550 (Community Development)  
M-F, 7:30 a.m. - 4:00 p.m.  
Night Deposit Available  
Water & Sewer Bills: 24 hours/7 days a week

### ***Police Station***

100 N. O'Plaine Road  
Non-Emergency: (847) 599-7000  
Office Hours: M-F, 8:30a.m. - 4:30  
(847) 599-7050 (Administration)  
(847) 599-7040 (Investigations)  
(847) 599-7070 (Records)  
(847) 599-7100 (Gurnee Mills Substation)

### ***Fire Station No. 1***

4580 Old Grand Avenue  
Non-Emergency: (847) 599-6600  
Office Hours: M-F, 7:30 a.m.-4:00 p.m.

### ***Fire Station No. 2***

6581 Dada Drive  
Non-Emergency: (847) 599-6650  
Office Hours: M-F, 7:30 a.m. - 4:00 p.m.

### ***Fire Station No. 3***

5330 Manchester Drive  
Non-Emergency: (847) 599-6650  
Office Hours: M-F, 7:30 a.m. - 4:00 p.m.

### ***Public Works Facility***

1151 Kilbourne Road  
(847) 599-6800  
Office Hours: M-F, 7:00 a.m. - 3:00 p.m.

Sign up for email alerts and reminders from the Village by going to <https://www.gurnee.il.us> and clicking on E-Mail Alerts.

Visit <https://www.gurnee.il.us> for information about services, board meetings, and more.